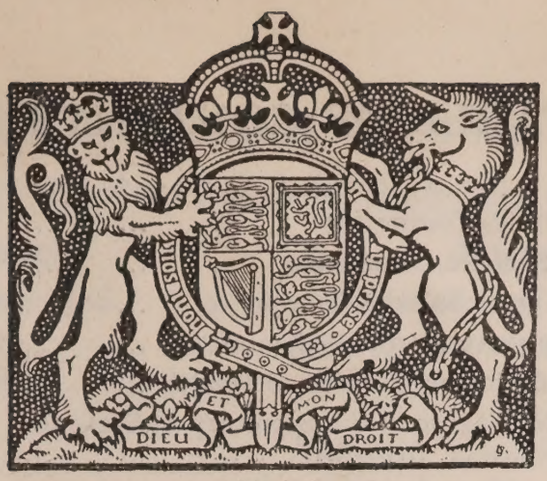

MINISTRY OF HEALTH
DEPARTMENT OF HEALTH FOR SCOTLAND

NURSES AND MIDWIVES SALARIES COMMITTEES

ENGLAND AND SCOTLAND

Report of the Joint Superannuation Sub-Committee on Superannuation of Nurses and Midwives

Presented by the Minister of Health and the Secretary of State for Scotland to Parliament by Command of His Majesty
March 1945

LONDON: HIS MAJESTY'S STATIONERY OFFICE
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Appendices.

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John Durham, Esq.

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Miss F. N. Udell, M.B.E.

Peter Campbell, Esq.

Secretary: Miss M. Deslandes.

Letter from Lord Rushcliffe to the Minister of Health.

Fedsden,
Roydon,
Ware,
Herts.
8th November, 1944.

My dear WILLINK,

I have much pleasure in forwarding to you the Report of the Superannuation Sub-Committee appointed by the Nurses Salaries Committee, the Midwives Salaries Committee and the Scottish Nurses Salaries Committee. You will note that one member of the Sub-Committee submitted a reservation.*

The Report has been considered by the Nurses Salaries Committee and the Midwives Salaries Committee and is forwarded to you with their unanimous endorsement.

Reference to the position of mental nurses and of nurses in Northern Ireland is made in paragraph 2 of the Report. I hope to be forwarding to you a further communication in regard to such nurses in due course. There has also been some discussion about the position of nurses employed in Government Nursing Services, in the Colonial and Indian Nursing Services, and in industrial nursing. Both Committees are of opinion, bearing in mind the importance of securing the fullest possible interchangeability, that it would be most desirable for you, if you are in agreement with the general principles of the Report, to discuss the position of such nurses with the other Ministers concerned with a view to securing, if possible, the preservation of full superannuation rights in the case of transfers between these Services and other nursing services. You will observe also that all private nurses are not fully covered by the provisions of the Report; and this is a matter which, in the Committee's view, you will no doubt feel requires your consideration. Both Committees are, however, anxious that such consultations and consideration should not delay the implementation of the general recommendations at the earliest date, if you find them acceptable.

Yours sincerely,

(Sgd.) RUSHCLIFFE.

The Rt. Hon. H. U. WILLINK, K.C., M.P.,
Minister of Health,
Whitehall, S.W.1.

Letter from Professor T. M. Taylor to the Secretary of State for Scotland.

43, Don Street,
Old Aberdeen.
14th December, 1944.

Dear Mr. JOHNSTON,

NURSES' SUPERANNUATION.

I enclose herewith the Report of the Sub-Committee on the superannuation of nurses which has now been approved by the Scottish Nurses' Salaries Committee. The Sub-Committee contained representatives from both the English and the Scottish Nurses' Salaries Committees, and the Report has already received the approval of the English Committee and has been sent by their Chairman to the Minister of Health.

In submitting this Report I have to inform you that while my Committee have approved it without dissent, a minority of the Committee, of whom I am one, have agreed to this course with some reluctance and with considerable

* Printed as Appendix I to the Report.

reservations. They would have preferred an arrangement which provided one comprehensive scheme for the whole nursing profession and they think that the setting up of two parallel schemes each resting upon its own statute is very difficult to justify from an administrative point of view.

I think it is fair to say that probably the whole Committee regard the establishment of one scheme as the ideal solution—indeed this is the view expressed in the Report itself. The majority, however, are apprehensive that the difficulties inherent in the creation of one unified scheme might cause undue delay in bringing it into operation; and they prefer to secure the half-loaf represented by the scheme now recommended rather than run the risk of getting no scheme at all. The minority are not disposed to attach the same importance to the difficulties referred to, but they recognise that the approval of the Report by the English Committee and the prospect of legislation following thereon make it difficult if not impossible to hold out for what—in their view—would be a more satisfactory solution. They have accordingly, with some hesitation, given their approval to this Report, in the hope that at some future date it may be possible to unite the whole nursing profession under one inclusive scheme of superannuation.

The Committee also considered the position of certain groups of nurses not covered by the Report. They suggest that if you approve of this Report in principle you might, along with the other Ministers concerned, consider the case of nurses in Government Service, nurses in the Colonial Service and nurses in Industry so as to secure for them the advantages which will be enjoyed by the nurses to whom the Report applies. They also desire me to draw your attention to the position of nurses and midwives in private practice for whose superannuation the Sub-Committee have not found it possible to provide and to suggest that you might be disposed to give further consideration to the case of these nurses. The Committee also think it desirable that the Sub-Committee should receive a definite remit to deal with the superannuation of mental nurses which has not yet been considered by them.

Yours sincerely,

(Sgd.) T. M. TAYLOR.

The Rt. Hon. Thomas JOHNSTON, M.P.,
Secretary of State for Scotland,
St. Andrew's House, Edinburgh 1.

Letter from the Minister of Health to Lord Rushcliffe.

Ministry of Health,
Whitehall, S.W.1.
19th January, 1945.

My dear RUSHCLIFFE,

I am afraid I have been a very long time writing to thank you for the Report of the Superannuation Sub-Committee of your own two Committees and the Scottish Nurses Salaries Committee. But you will realise better than anyone the extraordinary complexity of the issues.

The Secretary of State for Scotland and I are most grateful to you and the members of your Sub-Committee and we have decided to publish the Report as a Command Paper as soon as we can get it printed.

Yours sincerely,

(Sgd.) HENRY WILLINK.

The Rt. Hon. The Lord RUSHCLIFFE, G.B.E.,
Fedsden,
Roydon,
Ware,
Herts.

NURSES AND MIDWIVES SALARIES COMMITTEES, ENGLAND AND SCOTLAND

REPORT OF THE JOINT SUB-COMMITTEE ON SUPERANNUATION OF NURSES AND MIDWIVES

SECTION I

TERMS OF REFERENCE

1. The terms of reference to the Superannuation Sub-Committee are as follows:—

"To advise as to the best method of securing uniformity of Superannuation and interchangeability of pension rights for Nurses (including Assistant Nurses) and Midwives; the Sub-Committee to send copies of its minutes to both Panels (i.e., of the Main Committees)."

Our aim has been to draw up a scheme that would achieve uniformity and reasonable pension rights based on the following general principles and we have considered the technical aspects of the matter and the possibility of establishing a National Superannuation Fund covering all nurses and midwives.

(1) It is desirable as far as possible to institute a scheme to make superannuation provision for all nurses and midwives with complete interchangeability.

(2) The scheme is to be on a contributory basis.

(3) The pension is to be based on remuneration and length of service.

(4) Contributions are also to be based on remuneration.

(5) The scheme should provide for an optional and compulsory retiring age.

(6) Provision is to be made for back service.

(7) Provision is to be made for the return of contributions on leaving the service.

(8) The scheme is to be compulsory.

(9) Student nurses should be covered by the scheme.

The securing of uniformity of pensions inevitably involves a consideration of the standard pension and the conditions attaching thereto. Pensions vary considerably at the present time under existing schemes as will be seen from later paragraphs of this Report.

2. We understand that the nurses with whom we are specially concerned are those employed in local authority hospitals and in voluntary hospitals and recognised voluntary institutions. Since the appointment of the Sub-Committee, nurses in mental hospitals have fallen within the purview of the Rushcliffe and Taylor Committees. We have as yet no instructions to deal with mental nurses and they are, therefore, not included in this Report.

The Ministry of Home Affairs for Northern Ireland have adopted the recommendations of the Taylor Report and have asked that nurses and midwives in Northern Ireland be brought within the consideration of the Superannuation Sub-Committee. But in this case also it has been decided to defer consideration of the special position of these nurses until the proposals in regard to the main body of nurses have been approved by the Rushcliffe and Taylor Committees.

Information has been furnished by the Ministry of Health and the Department of Health for Scotland as to the number of nurses and midwives in Hospitals and Institutions for England and Wales and for Scotland. The numbers are summarised in Appendix II.

It has to be recognised that there are many classes of nurses who do not come within the scope of the Rushcliffe and Taylor Committees and their recommendations. Nurses in private maternity homes and in the hospitals of the Army, Navy and Air Services are not included; nor are nurses who are employed in private nursing homes or by Nurses Co-operations or in other countries.

We have considered how far it would be practicable to include within this scheme, nurses in private and industrial employment and nurses engaged in private practice. We are precluded from making provision in the scheme for nurses in the hospitals of the Army, Navy and Air Services, as the Minister of Health has advised that they should be excluded from our consideration.

We may add however, that the proposals which we make are, we believe, such that if approved, it would be possible, should it be so decided, to admit without undue difficulty, nurses in the Services subject to suitable conditions as to control of salaries contributions and back service and so secure pension rights and interchangeability for nurses serving with the Forces.

SECTION II

THE NURSING SERVICE

3. On the basis of the information obtained by the Ministry of Health and the Department of Health for Scotland, an approximation of the number of nurses in various categories has been made and the results are shown in detail in Appendix II.

From the Appendix the following figures for England, Wales and Scotland are extracted:—

Table I. Nurses in Hospitals

	Grade of Nurse			
	Student	*Trained*	*Assistant*	*Totals*
Local Authorities ...	15,427	15,269	14,862	45,558
Voluntary Organisations	28,302	15,108	1,666	45,076
Department of Health for Scotland.	—	541	252	793
	43,729	30,918	16,780	91,427

Table II. Midwives including Pupil Midwives

	Local Authority	*Voluntary Organisations*	*Totals*
In hospitals	3,114	1,341	4,455
In service but not in hospitals ...	3,495	5,418	8,913
In private practice	—	—	3,115
	6,609	6,759	16,483

4. The figures for all nurses and midwives may be summarised as follows:—

Table III. All Nurses and Midwives

In hospitals		91,427
Not in hospitals (i.e. in salaried service e.g. schools and nurseries)		
Trained nurses	4,965	
Assistant nurses	2,140	
District nurses	3,656	
Private practice	15,222	25,983
Midwives		16,483
Health Visitors		6,528
		140,421

5. *Student Nurses* make up nearly one-third of the total of 140,421 nurses. Hospitals, in fact, are training schools as well as nursing institutions and they supply fully trained nurses for many different spheres in this country and in other countries. Of the student nurses, over 15,000 are in local authority hospitals and are members of the superannuation schemes of local authorities from the commencement of their service or after a waiting period. More than 28,000 are employed in voluntary hospitals. They are not eligible to be included in the scheme of superannuation benefits which has generally been adopted by the Voluntary Hospitals until they have completed one year's training, when they are compulsorily included if the employing hospitals have decided to admit student nurses to superannuation. If so admitted, the prescribed contributions are made by and in respect of them and applied to increase their benefits when they are fully trained.

6. *Trained Nurses* number about 51,000 (Appendix II), 30,000 of these are in hospitals and just over 15,000 are in private practice. The balance are employed by local authorities and voluntary organisations outside hospitals. Nurses in private practice are not covered by the recommendations of the Rushcliffe and Taylor Committees: just under one-third of the trained nurses come into this category. It will be noticed that of trained nurses the number in private practice and the number employed in hospitals by local authorities and by voluntary hospitals are equal to each other.

7. *Assistant Nurses* predominate in local authority hospitals as may be seen from Table I in paragraph 3 above. The number of student nurses and assistant nurses added together is roughly the same for local authorities and voluntary hospitals. Assistant nurses receive higher salaries than student nurses and a consequence of this is that the charge for salaries and for superannuation in local authority hospitals as a whole must be heavier than in voluntary hospitals.

8. Of the total of 140,000 nurses nearly 64,000 are employed by local authorities and are provided with pension rights in the superannuation schemes of those authorities. Nearly 58,000 are employed by voluntary organisations: half of these nurses are eligible for benefit under the Federated Superannuation Scheme. Nurses and midwives in private practice account for the remaining 18,000; these nurses may be maintaining policies under the Federated Superannuation Scheme so they may be eligible for pension from other sources.

9. From a number of the larger London hospitals, from provincial hospitals in England and Wales, and from hospitals in Scotland, information has been obtained of the movement in their staffs in the year ended 31st March, 1942. The Tables in Appendix III show how far a number of local authority hospitals made interchanges with hospitals of the same character and with

voluntary hospitals; and similar information is given for voluntary hospitals in the same area. The total number of appointments and terminations of service are given in detail for each grade of nurse, and the figures indicate that in order to maintain a stable number of nurses it may be necessary to make new appointments in a year up to one-half of the total staff of a hospital.

10. In this connection the following figures are interesting. They are extracted from the Memorandum marked Kings Fund 18/25 published November, 1925, and refer to 500 student nurses who entered a hospital for training from 1908 to 1914:—

The number who left by marriage was	199
The number who died	12
Left during training otherwise than by marriage or death ...	30
Left after training	14
	255
Went into private nursing	115
Took hospital appointments	49
Took matrons' appointments	22
Went into Army service, nursing homes, midwifery, etc. ...	59
	500

While it may be felt that the figures relate to a period many years ago they are in fact the only information of its kind which has been placed before us. The significant fact is that less than 50 per cent. of the trainees who entered the service of this hospital during this period of six years remained in nursing service in 1925. This proportion supports the evidence of the figures in Appendix III.

11. In Table 4 of Appendix III a note is given of the proportion of student nurses in the hospitals for which special information was supplied. In the Scottish voluntary hospitals there were 550 student nurses for every 100 trained nurses. In the London voluntary hospitals there were 263 student nurses for every 100 trained nurses. These proportions are characteristic of the larger teaching hospitals which are mainly voluntary hospitals. In the local authority hospitals for which figures were obtained the proportion of student nurses to trained nurses is less than 2 to 1.

12. **Nurses to be included in any scheme.**—Persons employed in the nursing services of local authorities and voluntary organisations may, we think, easily be brought within the provisions of the general scheme giving pension rights of the type we are asked to consider.

We have considered how far it would be practicable to admit to such a scheme, nurses other than those in the salaried employment of local authorities and voluntary organisations, with particular reference to nurses in industrial employment and in the employ of private nursing homes and maternity homes, nurses employed by co-operatives, and private nurses.

Our observations in regard to these nurses are as follows:—

(1) *Nurses in industrial employment*—

(*a*) These nurses are not necessarily on scales of pay comparable with the Rushcliffe and Taylor scales.

(*b*) A Superannuation Scheme with benefits based on final salary might be adversely affected by the inclusion of nurses who enter industrial employment at a relatively high salary when nearing pensionable age.

(*c*) Admission of such nurses would involve some measure of control over salary scales and would require other safeguards which would be difficult to administer.

It is questionable whether in any event these nurses fall within the purview of the Sub-Committee.

(2) *Nurses employed by private nursing homes and maternity homes.*—Similar considerations to the above apply to these nurses. Moreover many of these institutions are very small and have not the same degree of permanence, financial resources, or administrative organisation which exists in most industrial concerns which employ nurses.

With these considerations in mind we feel unable to recommend for admission to the scheme, nurses in industrial employment and in the employ of private nursing homes and maternity homes unless they can be brought within the terms and conditions of the Rushcliffe and Taylor Committees' recommendations and such other conditions of employment as would enable them to be affiliated to the proposed new scheme on the lines of the provisions of section 5 of the Local Government Superannuation Act, 1937.

(3) *The Private Nurse.*—The private nurse is described by the Federated Superannuation Scheme as a " trained nurse who is engaged by an institution otherwise than on its staff at a fixed annual salary " or " a trained nurse who is engaged in nursing on her own account." There are the following categories of private nurses:—

(a) *Private nurses attached to certain hospitals.*—These are paid by the nurses' institute, some on a salary, some on a fee basis. The difficulty of admitting this group to the scheme might be overcome if nurses employed by hospitals on domiciliary nursing were paid on the Rushcliffe and Taylor scales of salary, when they would become salaried employees of the hospital.

(b) *Nurses attached to co-operatives.*—Co-operatives vary in their system of payment. Many receive the fees, paying the nurse an agreed sum. Some are nothing more than employment agencies. There is at present no satisfactory method of control of co-operatives and no settled scales of salaries where salaries are paid. If these nurses are to be admitted to a general scheme, we consider it should be on the same conditions as the private nurse attached to a hospital.

(c) *Private nurses practising on their own account.*—Difficulties of a special character in connection with these would arise in the type of scheme we have in view and it may be that they will prove insurmountable.

They may be summarised briefly as follows:—

(i) There would be difficulties in exercising control over the nurse to determine whether she is, in fact, exercising her profession as a nurse, or whether she could properly claim to be superannuable.

(ii) Many nurses practising on their own account take only occasional cases.

(iii) The contributions of employer and employee would have to be paid by a private nurse as there would be no practicable means of collecting an employer's contribution.

(iv) Any future deficiency could hardly be charged to the nurse and might, therefore, have to be found by the Government but without any control being exercised over the services of the nurse.

(v) In the proposed scheme, pension is to be calculated by reference to service and salary. For a private nurse these terms are so elastic as to make it impossible to determine with any certainty what pension might properly be claimed. In the event of improper claims as to salary and/or service being made, the pensioning authority might

find itself in the position of an organisation which was granting annuities on extremely favourable terms to persons who had no real right to such privileges. The difficulty of determining whether the nurse was still practising would be such as to lead to the possibility of grave abuses in claims for Government support.

(vi) A further difficulty arises in connection with the important concessions granted by the Inland Revenue Authorities in respect of Income Tax on funds for persons in salaried employment. Any attempt to extend the advantage of the concessions to persons not in salaried employment would it is believed not be regarded with favour by the Inland Revenue, and it is doubtful whether any fund which admitted them would obtain official approval.

We have considered whether it would be practicable to admit private nurses into the scheme on payment of a fixed contribution, or alternatively, whether a nurse on leaving the salaried employment of a recognised institution to take up private nursing might be allowed to continue to pay the full joint contribution formerly paid by herself and her employer, but for reasons set out we are unable to recommend their admission to the fund.

(4) We consider therefore that there should be admitted to the new scheme only nurses and midwives (including student nurses and pupil midwives) in the employment of voluntary hospitals and industrial and voluntary organisations that have adopted the Rushcliffe and Taylor scales of salary.

We suggest that industrial and voluntary organisations for the purpose of the new fund should be subject to approval by the managing body of the new fund.

The proposals we make to safeguard as far as possible the pension rights of nurses not within the salaried employment of a voluntary organisation or leaving such employment to enter employment not recognised under the scheme or to take up private nursing are as follows:—

(*a*) The Federated Superannuation Scheme will remain available for them in suitable cases.

(*b*) The right to assign a Federated Superannuation Scheme policy to a pensioning authority on joining its service, on the basis provided for in the proposed scheme should continue to operate in the future.

(*c*) A nurse returning to private or industrial employment should take with her any policy in force which was originally taken out on her behalf.

(*d*) A nurse leaving the service of an employer within the pension scheme should have the right to leave contributions in the fund and to have pension rights in respect of intermittent service (see para. 45 (7)).

It may be anticipated that with the growth of hospital facilities the number of nurses in private employment will in future tend to decrease.

The attendance on patients in their own homes by nurses supplied from the hospitals or similar institutions will also tend to increase. It may reasonably be expected therefore that the number of nurses outside the ranks of those in pensionable employment will be a diminishing number.

SECTION III

EXISTING SCHEMES OF SUPERANNUATION FOR NURSES AND MIDWIVES

13. There are two main types of scheme in operation at present under which provision is made for superannuation to nurses. These are:—

(1) A Scheme for Voluntary Hospitals which came into operation in 1928 and is known as the Federated Superannuation Scheme for Nurses and Hospital Officers.

(2) The Schemes established by General or Local Acts for nurses and other employees in the Local Government Service.

The adoption of the Federated Scheme is optional on the part of hospital authorities and the Local Government Superannuation Scheme is compulsory.

Some details of these two main schemes are discussed below:—

14. **The Federated Superannuation Scheme.**—The contributions to the scheme are based on the total remuneration of the nurse including emoluments. The contribution of the nurse is 5 per cent. of this figure and of the hospital 10 per cent. making a total of 15 per cent. in all.

Under this scheme the benefits are provided by insurance policies issued by a selected group of insurance companies with whom special terms and conditions have been agreed. The benefits of the policies differ from company to company and also according to the date of issue. They are to be found in the Federated Superannuation Scheme prospectus "Pensions 27" and subsequent prospectuses.

15. When a nurse enters the Scheme an initial policy is taken out by the Council of the Scheme and other policies are effected for a nurse as her remuneration increases, at certain fixed stages of increase. The policies need not be with the same insurance company, and they may be of different kinds. The policies are quite independent of one another, and it will be sufficient to discuss what can happen in connection with a single contract.

Retirement is not dependent upon or necessarily related to the date of maturity of the policy. Whether a nurse retires or not depends on the arrangements between herself and the employing authority, and there are several different kinds of provision which she can make.

Two forms of policy are offered, Deferred Annuities and Endowment Assurances.

16. *A Deferred Annuity* policy secures an annuity with the alternative of a lump sum payment, the annuity and the lump sum being stated and guaranteed in the policy.

(1) If the nurse retires on maturity of the policy, she can receive the annuity, which is an ordinary life annuity, ceasing at death. If, for example, she should die a few months after entering on the annuity the insurance company would pay the annuity to the date of death, with no further payment.

(2) A nurse may receive the lump sum instead of the annuity at the discretion of the Council. For every £100 of annuity at age 55, the lump sum guaranteed by a policy at the present time might be £1,500 or more, the precise amount depending on the insurance company selected.

(3) The joint contributions continue to the date of retirement, such date being a matter of arrangement between the nurse and her employer. If the policy has matured, the proceeds remain on deposit with the Insurance Company at interest, and further contributions to the date salary ceases are added to the deposit. The rate of annuity paid to the nurse on retirement is governed by her age at the date the annuity is set up. The increase in age will entitled her to a higher annuity and, as the higher rate is calculated on the larger sum which will be available on retirement, the annuity stated in the policy will be increased to a considerable extent. The rate of interest on deposits in the case of policies issued at the present time is usually 2½ per cent. For policies issued prior to April, 1941, the guaranteed rates of interest were higher.

(4) The deferred annuity policies provide for a return of the total contributions paid with compound interest on death or withdrawal from nursing service before the annuity is set up.

17. On death before retirement, a payment is made to the nurse's representatives equal to not only the nurse's contributions but also the contributions paid for her by the employer, with compound interest added. On abandonment

of the service by marriage or for other reasons, the return to the nurse is limited to her own contributions, with interest added, unless she has been a member of the Scheme as a trained nurse for a minimum prescribed period (see paragraph 20), in which case she obtains the same benefit as in the event of death, with the option of exchanging it for an annuity if the amount is appreciable.

18. *An Endowment Assurance* secures a lump sum payable at maturity *or at previous death.*—On account of the substantial benefit given in the event of early death, the lump sum available at maturity will usually be smaller than if a deferred annuity had been taken.

Instead of the lump sum there is the option of taking an annuity. The rate employed in calculating the annuity is fixed and guaranteed in the contract and would be at the same rate for every £100 of the lump sum as in a corresponding deferred annuity policy, but being proportional to the lump sum, the annuity would be lower. Essentially, the options at maturity are of the same character as for a deferred annuity contract, and it is unnecessary to go over the same ground again. The benefit under the endowment assurance policy on death before retirement is the sum assured and on abandonment of service before retirement is the surrender value which is divided between the nurse and the hospital, as under a deferred annuity policy as described in paragraph 16 above.

19. The Council of the Federated Superannuation Scheme only permits an endowment assurance to be taken out in special circumstances, e.g., if the nurse is supporting a dependent. Careful enquiry is made into the actual facts of each case in which an endowment assurance is selected by the nurse. The endowment assurance policies which have been taken out number less than 2 per cent. of all the policies taken out for hospital nurses.

20. The prescribed period, being a matter of importance, is set out below:—

For a trained nurse, 5 years from the date of her certificate or 5 years from the commencement of membership if her certificate has been previously obtained.

For a student nurse if she has begun to contribute while still a student nurse, the period is 10 years from the commencement of membership or 5 years from the date of her certificate whichever may be the earlier.

From the statement given below it will be seen that the number of exits before completing the prescribed periods is very large and the amounts involved are substantial.

21. The following statement of total payments made in 15 years from 1st January, 1928, is extracted from the report of the Federated Superannuation Scheme for the year 1942 and applies to the *total membership*. About 6 per cent. of the members are shown by the report to be males and 11 per cent. are females other than nurses.

	No. of members.	£
Paid in cash to members on retirement on or after pension age	184	72,514
Capital value of annuities of £7,218 13s. paid to	187	80,378
Value of benefits paid on retirement to ...	371	152,892
Paid to estates of deceased members ...	453	100,125
Paid to members after completing prescribed period (see para. 20) ...	2,868	418,163
Paid to members before completing prescribed period (see para. 20) ...	13,403	230,099
Paid to participating institutions ...	—	328,313
	17,095	£1,229,592

The amount paid to participating institutions is not, as might have been expected, double the amount paid to members before completing the prescribed period. The explanation is that members have paid the full 15 per cent. for periods when they were not in the service of a participating employer, and therefore the members are entitled to the full contributions for such periods.

22. **Local Authority Schemes.**—The pension provisions for nurses in local government service, are generally governed by the Local Government Superannuation Act, 1937, and the corresponding Scottish Act.

The contributions paid by nurses joining local authority employment after the appointed day, are at the rate of 6 per cent. on their salaries and emoluments.

The contributions of the Local Authority are:—

(1) An " equivalent contribution " of 6 per cent.

(2) An additional " deficiency contribution " to be paid during a period not exceeding 40 years. As a general rule the remaining period of such contributions is about 20 years from the present time.

(3) As the result of periodical actuarial valuations it may be found necessary to add to the amount of the deficiency contribution if a deficiency is found to have occurred in the actual working of the fund. On the other hand if there is a disposable surplus the deficiency contribution might be diminished.

Retirement for nurses at the age of 60 is compulsory. A nurse may retire at 55 if she has completed 30 years service.

If she becomes incapable of discharging her duties by reason of permanent disability and has completed 10 years' service she is entitled to a superannuation allowance.

23. The amount of the superannuation allowance payable when a nurse retires on the ground of age or disability is based upon the average salary and emoluments of the last five years of service, 1/60th being given for every year of contributing service and 1/120th for every year of non-contributing service.

If a nurse began to contribute at the age of 25 when her salary and emoluments amounted to £200 and she received an increment of £50 at 35 and a further increment of £50 at 45, bringing her salary and emoluments up to £300 she will receive, on retirement at 55, a pension of 30/60ths on account of her contributing service. The amount of the pension will be £150. If she remains in local authority employment until 60 her pension will be £175. If she should die before receiving pension payments equal to her own contributions with interest, the difference would be paid to her representatives.

The amount of the pension is guaranteed by the authority and is not dependent in any way on the fluctuating terms at which annuities can be purchased.

24. In the event of a nurse dying or leaving the service of a local authority before becoming entitled to a pension, her own contributions are returned.

Contributions paid by the members with 3 per cent. compound interest are paid to the representatives of the member if death should occur before superannuation; and after superannuation, if death should occur before the pension payments have reached an amount equal to the contributions of the member with interest to the date of retirement, the difference between the two amounts is payable. In the case of voluntary resignation the contributions are returned without interest. In other cases of termination of local authority employment the contributions are returned with the addition of compound interest (with possible exceptions in cases of fraud or misconduct).

The contributions of the nurse are therefore secured to her in every possible event.

No returns are made to the employing authority in any circumstances whatever and the sums paid by the local authority into the fund are used for the payment of pension and no other purpose.

25. In the event of the fund being deficient because of a fall in interest rates or from any other cause, the burden falls entirely on the local authority and is usually met by a charge spread over a period of years. Even if it should lead to an increase in the contributions of the authority, there is no power under the Act of 1937 to increase the contributions of the nurses or to diminish their benefits.

26. Under section 9 of the Act a nurse may, subject to proof of good health, surrender an amount not exceeding 1/3rd of her allowance to make provision for a pension to a husband. Such pension would be payable to the husband after the death of the nurse.

27. **Special features of Pension Funds for Women.**—In comparison with pension funds for men there are some special characteristics which apply to women of all occupations.

On account of their longer lifetime women have to pay a higher price for annuities than men, and therefore if women retire at the same ages as men their pensions cost more. Of recent years there has been a tendency to claim that their pensions should begin at earlier ages than for men and this adds still further to the cost of superannuation. Moreover the cost has to be provided during a shorter working life. There is still no difference between men and women teachers in the ages of superannuation.

The proportion of women who break down in health and are unable to continue in salaried service has been found to be greater than for men. The lifetime of women who break down has been shown by the experience of teachers to be to a very marked extent longer than the lifetime of men who break down.

There are therefore many circumstances which tend to increase the cost of superannuation for women.

28. On the other hand there is the important fact that the proportion of withdrawals from salaried service by voluntary resignation is much higher than for men, because for so many women salaried service is a temporary occupation before marriage. The census tables show that in the general population about two-thirds of the women who are living at 20 will be married before they reach the age of 30. The exits by marriage are at a steady rate which can be counted on to continue.

Comparison of the Federated Superannuation Scheme and Local Authority Funds.

29. Two essential differences between the Federated Superannuation Scheme and Local Authority Funds are:—

(1) The Funds provide for immediate pensions normally on the 1/60th basis (see paragraphs 22 and 23) and on retirement through ill-health, after 10 years' service, which the Scheme does not.

(2) The Scheme provides for a return to the nurse of both nurse's and employer's contributions with interest (or, if appreciable, an equivalent annuity) on withdrawal from nursing service after 5 or more years' membership as a trained nurse before retirement (see paragraph 17) whereas the Funds provide only for a return of the nurse's contributions on leaving local authority employment. (See paragraph 24.)

The retention in the Fund of the employer's contributions in respect of nurses who leave hospital service is a material factor in the provision of incapacity pensions.

On the one hand, we think that the provision of incapacity pensions is a matter of very great importance. We have no information as to the proportion of incapacity pensions to age pensions among nurses, but among female teachers, where the pension age is 60, we understand that the number of pensions granted on breakdown of health may be as high as 25 per cent. of the total number of pensions granted.

On the other hand, it is necessary to decide what view should be taken of the employers' contributions. We feel that these should not be considered as being paid on account of individual contributors, as in the Federated Superannuation Scheme but should be regarded as contributions for the maintenance of the pension benefits of the Fund and should be used for no other purpose.

We may add here that in funds which are approved by the Inland Revenue Authorities under the Finance Act, 1921, it is stipulated that the contributions of the employer shall not in any circumstance be returned to the employer but must remain in the Fund for the payment of benefits.

30. **Contributions of the employee.**—The contributions of the nurse are fully secured to her whatever happens (with the possible exception of fraud or misconduct) in the Local Authority Scheme.

In the Federated Superannuation Scheme the member will receive her own contributions back and in many cases her employer's also if she dies or withdraws before going on pension. On death after going on pension she receives the proportion of annuity to date of death.

We consider that the contributions of the employee should be returned in all circumstances (with the possible exception of misconduct). This is permissible under the provisions of the Finance Act, 1921, and also removes any feeling of hardship in the enforcement of compulsory membership.

31. **Basis for Pension.**—In Local Authority Schemes, in the Civil Service, in Banks and Insurance Companies and in many important Firms it is the practice to calculate pensions in relation to the final salary or the average of the last few years of service.

The standard most generally accepted for the amount of the pension is that it should be on the basis of 2/3rds of the average salary or wages of the last few years of service when the service has been for 40 years or more, with proportionally reduced pensions, for service of less than 40 years.

Pensions had frequently been based on the average salary of the whole period of service, but after the War of 1914-1918, it was found that pensions on this basis were inadequate on account of the great increase in the cost of living. There was, therefore, a general revision of funds which had been working on this basis, and from that time it has been more commonly agreed that pensions should be calculated in relation to the final amount of salary or wages, or the average of the last few years, usually 5 years, before retirement.

32. In the Local Authority Scheme the pension is based on the average remuneration of the last five years and is a fixed proportion for each year of service. Any burdens due to unfavourable financial conditions fall entirely on the Authority.

33. In the Federated Superannuation Scheme the basis for pension is not fixed. The terms quoted by the insurance companies are revised from time to time with the result that there is a want of uniformity in the benefits secured to nurses who join at different dates, and there is uncertainty about the amount of the benefits that may be expected.

An example was worked out in very full detail and is given in "Draft Scheme of Pensions" issued in 1925 by the King Edward's Hospital Fund.

(See Appendix IV.) In that example a pension of £137 was anticipated according to the terms at that time available. On the terms quoted since April, 1941, by the insurance companies the estimated amount of the pension is below £104 in the most favourable case.

The effect of unfavourable financial conditions is thrown entirely upon the nurses for whom policies are subsequently issued and reduces the benefits offered for the same contribution.

34. **Compulsory Membership and Retirement.**—Membership is compulsory under both schemes. In the Local Authority Scheme, female nurses, midwives and health visitors are required to retire at 60 but the authority has power to extend the period of service for any individual member for a period not exceeding one year at a time. The member may retire after 30 years' service if she has attained the age of 55. In the Federated Superannuation Scheme the actual date of retirement is a matter of arrangement between the employer and the nurse.

It is essential for the satisfactory finance of a superannuation fund that membership should be compulsory for all employees after the inception of the fund. It is also desirable that retirement should be compulsory at a specified age except at the option of the employer.

35. It remains now to consider in relation to the two existing schemes the headings in paragraph 1 which have not been touched upon.

Interchangeability.—This is not fully secured by either the Federated Superannuation Scheme or the Local Authority Scheme. Interchangeability within the Local Government Service is fully provided for, and the same is true for changes within the Federated Superannuation Scheme from one participating institution to another. Provision is not made for transfer of pension rights from a local authority to an institution participating in the Federated Superannuation Scheme. The Local Authority scheme provides merely for the return of contributions in such cases. This is one of the particular difficulties with which we have to deal. Through the system of paid up policies, the Federated Superannuation Scheme is the more flexible in this respect and approximates to the " Cold Storage " scheme discussed later.

36. **Back Service.**—A pension in respect of this service is secured for nurses now in the Local Authority Scheme by Act of Parliament at the sole expense of the employer by the granting of a pension on a non-contributory basis. In the Federated Superannuation Scheme, back service can be provided for by the employer or the nurse alone, or jointly by them both in any agreed proportion of expense.

37. **Student Nurses.**—These are covered by the Local Authority Scheme for the whole of their service after attaining the age of 18. Under the Federated Scheme, at the option of the employer and compulsorily on the student nurse if the employer so decides, joint contributions are made, and policies are effected when their certificates are obtained, and they retain the benefit of these joint contributions throughout their nursing career, wherever the service is given.

We think it is important that all student nurses should enter the scheme we suggest from the point at which they leave the Preliminary Training School or the age of 18, whichever is the later.

38. **Uniformity** is secured by the Local Authority Scheme but not by the Federated Superannuation Scheme. If the cases be considered of two nurses joining in different years but at the same age and receiving the same progressive remuneration from age to age through service, the Local Authority Scheme will produce identical pensions on retirement but the Federated Superannuation Scheme will not necessarily do so.

SECTION IV

ALTERNATIVE METHODS OF SECURING UNIFORMITY AND INTERCHANGEABILITY

39. The fundamental problem is to provide a means by which adequacy, uniformity and interchangeability of pension rights can be achieved to the greatest possible extent in the varying conditions of the nursing service. Some of the difficulties and the limits within which this is possible will have been appreciated from what has already been stated. Methods by which interchangeability may be achieved have been suggested in Memoranda prepared by the Ministry of Health and the Department of Health for Scotland.

Four alternative methods are set out in the Memoranda (see Appendix V. of this Report) which may be summarised as follows:—

(1) The " Cold Storage " method which implies separate funds for the two main types of nurses according to their employer, each fund being financially responsible for the portion of pension relating to the period of service with the respective employing authority.

(2) An extension of the provisions of Section 5 of the Local Government Superannuation Act, 1937, or the corresponding Scottish Act, to enable nurses in voluntary hospitals to be admitted to superannuation funds of local authorities either on such terms and conditions as the local authority might think fit, or on terms and conditions which might be prescribed by the Ministry, or the Department of Health for Scotland.

(3) A new fund to include all nurses whether in the service of local authorities or voluntary organisations. In this case nurses employed by local authorities would be transferred to the new fund with a corresponding appropriate financial adjustment.

(4) The creation of a new fund for all nurses not covered by the local government superannuation schemes with a system of transfer values to operate as between the new fund and existing funds of local authorities.

We have considered in detail the four alternative methods and the following paragraphs contain some of the considerations which bear upon the merits of each.

40. **The Cold Storage Method.**—This is a method of combining rights acquired in two or more different and continuing superannuation schemes. Under this method each separate period of service earns a separate pension, but the several pensions do not become payable until retirement.

The effect of the cold storage method would be that the changes of service would tend to diminish the ultimate pension to the nurse when considered in relation to her ultimate salary. Her pension would be governed not by her remuneration in the final years of service but by the separate salaries received at the various dates of transfer.

While the cold storage method would secure that every period of service does make a contribution to the final pension, its operation would appear to put a nurse who makes frequent changes of service at a disadvantage.

The administration of a cold storage scheme would require some consideration. The final pension of a nurse might be drawn from a large number of different sources, each making a small contribution to the total. It would probably be necessary to arrange that the separate contributions should be paid to a central office which would make one inclusive payment to the nurse.

This method, which does, subject to the above conditions achieve interchangeability, would not secure complete uniformity in pension rights.

We do not favour a general scheme based on this principle, but it might be necessary to fall back on a scheme of this kind if agreement cannot be reached on the basis of one of the other alternatives.

41. **An extension of Section 5 of the Local Government Superannuation Act, 1937:—**

(1) A short Parliamentary Bill to extend the provisions of Section 5 of the Local Government Superannuation Act, 1937, and the Scottish Act, would be a comparatively simple matter and would bring 90 per cent. of the nurses within the Local Authority Schemes.

(2) Nursing Services generally operate within particular localities which the appropriate local authority may be said to represent for Health Services. It might, therefore, appear desirable and convenient that the nursing staffs of voluntary hospitals should be attached to the Superannuation Schemes of appropriate local authorities.

(3) On the other hand objection might be taken by local authorities to an arrangement of this kind. This arrangement would result in particular local authorities being made responsible for the collection of both ordinary and deficiency contributions from hospital authorities over whose administration they have no control, and for the provision of pensions to nurses outside their jurisdiction. It has been pointed out that in some cases this would throw a heavy burden on administration and perhaps even a possible financial liability on the local authorities concerned.

(4) The voluntary hospital representatives see difficulties in this proposal on the ground that they are reluctant to place a large body of nurses in a fund in the management of which the voluntary organisations would have no voice.

42. **A new central scheme for all nurses and midwives.**—A Parliamentary Bill would be required for the constitution of a new central fund for all nurses including nurses employed by local authorities. The preparation of the Bill and consideration at its various stages before passing into law would occupy a considerable period of time.

Points in favour of this method are:—

(1) The possibility of the extension of the scheme to include all classes of employees in hospital service.

(2) A central fund would make for co-operation between all branches of the nursing services and elasticity and uniformity of practice in regard to pensions.

(3) A central fund would secure complete interchangeability and would dispense entirely with the calculation of transfer values.

(4) There would be complete uniformity in the administration of the scheme and avoidance of any differences in treatment as between nurses which might otherwise arise from the exercise of discretion permissible under local schemes.

(5) Any complications which may arise from the fluctuating incidence in employment of student nurses would be minimised by reason of the inclusion of all nurses in one fund.

(6) Amendments to the Local Government Superannuation Act, 1937, which would otherwise be required to enable the other proposals in regard to nurses' pensions to be brought into operation, would not be necessary.

(7) A central scheme would give to the Government the maximum amount of freedom in dealing with any issues in relation to superannuation which may arise out of any scheme in connection with the foreshadowed

new health services. As noted elsewhere it seems unavoidable that some or all of the nurses covered by the Rushcliffe and Taylor Committee scales must, in one way or another, fall within the ambit of any comprehensive health service.

(8) If it is felt that a scheme of this kind, being subject to central control, might not allow for exercise of reasonable local discretion in dealing with cases of individual employees, safeguards to protect the interests of employers and nurses in matters where some discretion was thought desirable might be introduced so as to provide for consultation with local employing bodies and suitable machinery for appeals by any employee who felt aggrieved.

It is in connection with incapacity, ill-health and discretionary retirements that the administrative and perhaps even financial difficulties might arise, but against those contingencies safeguards could be introduced.

Points urged against this method are:—

(9) A central fund under Treasury control and subject to rigid and complicated rules and regulations that are inseparable from an organisation of this kind might not be considered by many to be in the best interests of the nurses.

(10) The setting up of a single central fund would entail the transfer of large funds at present controlled by local authorities and would involve a disturbance of existing local authority superannuation funds and a consequential financial adjustment which would present considerable difficulty.

(11) It has been indicated that nurses and midwives in local authority employment would not look with favour upon a proposal to transfer them to a central fund which might result in eliminating the discretionary powers which local authorities possess in regard to existing superannuation funds.

The transfer of funds from local authorities would not, it is thought, involve insuperable difficulties. It should be realised that the liabilities of local authority funds are at present being met by ordinary contributions and equal annual charge. Payments to the central fund in liquidation of such a call might have to be made in the same manner. Difficulties might arise in the settlement of the amounts involved if a uniform valuation basis used for nurses in the central fund were applied to local authority funds working under local conditions which may vary considerably.

In so far as the Government following precedents in the case of other central funds decided to assist the central fund directly in respect of nurses in voluntary hospitals, local authority funds would presumably claim similar relief and a consequential diminution of the liabilities already assumed for nurses.

If the assumption in the previous sub-paragraph were to materialise by the Government assuming responsibility for the deficiency, then the difficulties and complications in connection with the separate actuarial valuations of added deficiencies on local funds, arising from nurses brought into the fund as employees of voluntary organisations affiliated to the local fund, would be avoided.

If a central fund were adopted, the question of the method of liquidating the deficiency on the new fund might be left to be determined as a matter of Government policy, whether (*a*) in whole or in part from all employers, (*b*) by the Government possibly by means of an unfunded scheme, if such a course were thought by the Government to be financially expedient. Precedents set for schemes under (*b*) include the Teachers and Police Schemes.

There are, however, other considerations which are outside our purview which may influence a decision on this matter. Proposals for a comprehensive health service are under consideration but it is not known what may be the ultimate form of the service. It is clear, however, that such a scheme will cover services in which the greater proportion of nurses are employed and that a central fund for nurses, if one were set up, might later be called upon to deal with all units of employment in hospital service, e.g., doctors, radiographers, almoners, etc., as well as nurses.

While one central fund for the nursing services may be an ultimate ideal, we feel that its institution at this stage in the development of the health services would appear to be a step which would create complications.

43. **A Central Fund for Nurses not in Local Authority Service.**—In this case also a Parliamentary Bill would be necessary. Under this method a new central fund would be established on lines similar to the funds of local authorities to provide for nurses not in local authority service, and arrangements would be made for the payment of transfer values between the new fund and the funds established by local authorities. Such a fund would be as favourable to its members as a central fund on the lines of paragraph 42 and would not stand in the way of merging the superannuation arrangements for all nurses if this should in future be considered desirable.

This alternative avoids the difficulties arising from the disturbance of existing superannuation funds of local authorities. Interchangeability is provided by adopting a system of transfer values on similar lines to that in operation under the Local Government Superannuation Act, 1937.

44. The main problem is to provide adequate pensions and interchangeability. We have very carefully considered the alternative methods of achieving this and while there are advantages and disadvantages in each of the methods, we consider that on balance, in existing circumstances, the method which best meets the needs would be to establish a separate new fund for nurses other than those in local authority employment and of the classes hereafter specified, and that new entrants as well as existing nurses should be included in the fund.

We recommend accordingly.

SECTION V

GENERAL POINTS IN CONNECTION WITH PROPOSED SCHEME

45.—(1) **Contributions.**—Contributions should be paid on the total of salary and emoluments.

We recommend that the rate of contribution of the nurse to the central fund should be 6 per cent. and should not be subject to increase or decrease while the recommended scale of benefits stands. We are advised that this rate of contribution is a reasonable one having regard to all the circumstances.

With regard to the contribution from the employing Hospitals or Institutions there are three important points to bear in mind:—

(*a*) Section 16 of the Local Government Superannuation Act, 1937, gives female nurses the right to retire at 55 if they have then completed at least 30 years' service. We recognise the necessity of including this provision in the new fund although it is an embarrassment in fixing the rates of contribution.

(*b*) Under the heading of benefits it will be found that nurses who come into the new scheme will be given pension rights for the years of their service during which contributions have been made to the Federated

Superannuation Scheme. The general effect of these rights is to increase the pension on final retirement and to provide incapacity pensions and consequently to add to the contribution required.

(*c*) The cost of a nurse's benefits in respect of future service increases with the age from which the nurse begins to make contributions. At the commencement of the scheme nurses will be entering at all ages from 18 to 60 and the cost must therefore be higher than will ultimately be the case when all members of the fund have contributed from the commencement of their service.

While we are advised that it is not possible in the present situation to make precise calculations, we have fully considered the circumstances and in view of the benefits which are proposed in later sections we recommend that the contribution of all employers should be paid at the rate of 12 per cent. Our view is that the contribution of the employers should not exceed 12 per cent. in any circumstances. Contributions should be payable for future entrants from the earliest date of payment of a salary to any person whose terms of remuneration are covered by the scales laid down by the Committees to which we are reporting.

We are advised that eventually it should be found possible to reduce the employer's contribution of 12 per cent. and that such a position is likely to be reached within 20 years. We recommend that an actuarial valuation should be made as soon as possible after the new fund is started when further data would be available on which to base a more definite view as to this period. Actuarial valuations should be made subsequently at intervals of not more than 5 years and on each occasion the actuary should be asked to state in his opinion what rate of contribution should be paid over and above the 6 per cent. payable by the nurses in order to keep the fund solvent.

It must be understood that the introduction of a Government Social Security Plan providing pensions on a substantial scale would affect the finances of the scheme. Many nurses already contribute to State pensions under the Contributory Pensions Act, 1925, while other nurses do not so contribute. There is, therefore, already existing a certain lack of uniformity in total contributions and total pensions.

The Government have already recognised that additional expenditure arising from the application of the scale of pay and conditions of service prescribed by the Rushcliffe or Taylor Committees' Reports should rank for a grant of 50 per cent. of such additional cost. We assume that the cost of the contributions arising in connection with the suggested fund should be included in computing such additional cost and so rank for a grant of 50 per cent.

(2) **Lump Sum payments at retirement.**—It has been suggested that instead of giving superannuation benefits on the basis of 1/60th for every year of contributing service on retirement, the pensions should be on the basis of 1/80th and that a lump sum equal to 1/30th of a year's salary and emoluments multiplied by the number of years of contributing service should be paid and that a pension on this basis might either be an integral part of the scheme or an alternative to be granted on the option of the nurse.

If a nurse should retire at 55 after 30 years' contributory service and the salary and emoluments that count for pension should be £400 a year, her full pension at the rate 30/60ths would be £200 a year

The alternative suggestion is that she should be given 30/80ths of £400, i.e., £150 as pension together with a lump sum of 30/30ths of £400 = £400; that is to say she is offered £400 for the sacrifice of £50 a year pension. This is only 8 years' purchase which would be a fair equivalent if the expectation of life of a nurse on retirement were only 9 or 10 years. As a matter of fact the expectation of life of a nurse at age 55 is something over 20 years.

While such an arrangement would involve loss to the nurses it would at the same time involve reduction of income to the fund. This arises from the fact that the exemption of the fund from income tax on income from investments is subject to the approval of the Board of Inland Revenue and this approval is not given to that portion of the income which is required for the payment of lump sums. This kind of arrangement is actually in operation in local authority funds in London and we are informed that it involves the disapproval by the Inland Revenue Authorities of 20 per cent. of the fund. This makes a material difference in the finances of the fund and involves the fund in higher charges for lower benefits.

A corresponding proportion of the contributions of the nurse would not be allowed as set off against income for purpose of income tax.

Having regard therefore to the fact that the arrangement is not really advantageous to the nurses, especially in view of the importance of securing the utmost provision for their old age, and also that it is prejudicial to the finances of the fund, the adoption of such arrangement in general is not recommended.

It has been represented to us, however, that there are cases where exceptional circumstances may arise which would make it desirable that a limited capital sum should be paid to the nurse, subject always to the discretion of the Management.

The provision would require to be in a form which would be acceptable to the Board of Inland Revenue and so avoid loss of income tax privileges.

We consider that any such provision should be limited to a sum in commutation of part of the pension not exceeding the actuarial value (determined as if her age were 60 if she retires before that age) of 1/6th of her pension.

(3) **Back Service.**—Under the Local Government Superannuation Act, 1937, pension is calculated at 1/60th or each year of contributing service and 1/120th for each year of non-contributing service.

We have considered how far it would be practicable to make similar provision in this scheme.

We recognise that to secure uniformity of pension rights for nurses employed by local authorities and voluntary organisations there should be equal recognition of back service, and that provision for back service is a generally accepted feature of new superannuation funds. We recognise also that for the older nurse adequacy of pension will only be secured if provision is made for the reckoning of service rendered prior to the inception of the Federated Superannuation Scheme. On the other hand, there are good grounds for excluding from pension any period of service since the inception of the Federated Superannuation Scheme to the extent that the nurse had elected to remain outside the Scheme.

The value of policies under the Federated Superannuation Scheme varies according to the year in which they were taken out and whereas in some cases the scheme may provide full 60ths or slightly more in respect of the period for which the nurse has contributed, in other cases the cover may be considerably less.

We therefore recommend:—

(*a*) That salaried service with a voluntary organisation before the inception of the Federated Superannuation Scheme or before a nurse joined the Scheme should be excluded from the calculation of pension.

(*b*) That all salaried service since joining the Federated Superannuation Scheme should rank as contributing service for a pension at 60ths. The result is that no provision is made for non-contributing years of service to rank for pension.

(4) **Retirement within 5 years of the inception of the Central Scheme.**—We were asked to consider whether for nurses retiring in the immediate future at the age limit, the five years' average might be based on the assumption that the revised scales of pay had been in force during the five years prior to retirement. The object is to protect the interest of nurses retiring within five years of the date on which the Rushcliffe and Taylor scales of pay came into force.

Such a provision is without precedent and we are agreed that it would be inappropriate from the point of view of the present proposals.

(5) **Existing rights and interests.**—(*a*) For the preservation of existing rights and interests it is proposed that nurses who at the date the Scheme comes into force are contributors to the Federated Superannuation Scheme should, instead of joining the new Scheme, have the right to remain within the Federated Scheme and to receive the benefits of the Scheme. They must, however, exercise their option within a prescribed period after the appointed day, and the option, once exercised, should be irrevocable except with the consent of the employer (see paragraph 47 II (iv)). For these nurses existing policies arranged through thee Federated Superannuation Scheme would be continued as long as they remain in the service of local authorities or recognised voluntary institutions and further policies and increment policies will be effected as and when necessary.

The nurse who elects to remain within the Federated Superannuation Scheme is thus secured all the benefits of the policies taken out on her behalf past and future but she surrenders all right to share in the benefits of the new Scheme.

If the nurse does not elect to remain within the Federated Superannuation Scheme, existing policies effected in respect of such nurse will be assigned to the fund to be maintained by and for the benefit of the fund. The nurse in such case will be subject to all the conditions and receive all the benefits provided by the fund (see also paragraph 47 II (xvii)).

(*b*) A nurse (being a contributory employee under Part I of the Local Government Superannuation Act, 1937) who resigns voluntarily from the service of a local authority is entitled to the return of her superannuation contributions without interest. If within twelve months of so resigning she re-enters the service of the same authority or enters the service of another local authority she will, if she repays an amount equal to the sum which was paid to her by way of return of contributions, be entitled to reckon as contributing service all service which she was entitled to reckon as such immediately before ceasing to be employed by the first-mentioned authority. If the first-mentioned authority is a local Act authority the position is similar, except that on re-employment and on repayment of the returned contributions the previous service is reckonable in the manner prescribed in the appropriate regulations.

We propose that a nurse who resigns from the service of a local authority to enter the service of a voluntary hospital or other approved organisation at any time between the 1st April, 1943 (when the Rushcliffe and Taylor recommendations became operative) and the date when the proposed Central Fund is set up, should have the right to leave her superannuation contributions in the superannuation fund of the local authority or, if her contributions have been returned to her between the two dates mentioned, she should have the right to repay to the local authority an amount equal to the sum which was paid to her by way of return of contributions.

If the contributions are left with, or repaid to, the local authority, that authority should pay to the Central Fund a transfer value in respect of

the nurse's local authority service; and for the purposes of that fund the nurse shall be entitled to reckon as contributing service all service which she was entitled to reckon as such immediately before ceasing to be employed by the local authority. The right to repay to the local authority an amount equal to the sum paid to the nurse by way of return of contributions should be exercised within six months after the setting up of the Central Fund. (See also paragraph 47 II (xi)).

(6) **Pensions on incapacity.**—Nurses who retire on account of permanent incapacity certified by a medical officer appointed by the Management of the Fund should be given pensions calculated on the same basis as for age provided they have completed at least 10 years' contributing service. In calculating the amount of the pension all contributing service should be taken into account, and a minimum pension of 20/60ths should be granted.

(7) **Broken service.**—A nurse on leaving pensionable service with the expectation of return might be permitted to leave her contributions in the fund. If she should re-enter pensionable service she could then resume payment of contributions and be given pension rights on the basis of actual contributing service. If she should not return to pensionable service she would have the right at any time to repayment of her contributions without interest. If a nurse takes the return of her contributions on leaving and comes back into the service within 12 months of leaving, she could be allowed to replace these contributions without payment of interest. Beyond that period payment of interest at 3 per cent. should be required. Her previous period of service would thus rank as contributing.

If the nurse has completed 15 years of contributing service whether continuous or intermittent it is proposed that she should have the right to a deferred pension based on total contributing service and on the average salary of her last 5 years of contributing service and that the deferred pension should be payable

from the age of 55 if she has completed 30 years service.
" " 56 " " " 29 " "
" " 57 " " " 28 " "
" " 58 " " " 27 " "
" " 59 " " " 26 " "
" " 60 " " "
more than 15 " " and less than 26.

The right to a deferred pension would only apply when a nurse renounces her right to return of contributions except in the case of death.

(8) **Pensions on re-organisation.**—The return of contributions in the event of resignation and the right to grant pensions on the ground of incapacity, and for broken service, cover nearly all the circumstances that are likely to arise before the attainment of pension age. There is, however, another circumstance that may be mentioned. The question of re-organisation of staff or the reduction of the staff of a hospital may for one reason or another become urgent, or there may be felt to be a difficulty in the dismissal, or forced resignation, of nurses with a long period of service. It is recognised that for particular reasons such a question may also arise in respect of an individual nurse whose resignation cannot be classed as due to incapacity or age. It is suggested that such cases should be treated as broken service cases and that it should be within the discretion of the employing hospital to recommend, subject to conditions to be defined by the Management of the Fund, in lieu of a deferred pension, the award of a reduced immediate pension calculated so as to be the equivalent in value of the deferred pension.

(9) **Benefits on death in service.**—It is recommended that the benefits to be paid by the fund on the death in service of a nurse should be the return of her own contributions.

(10) **Age of retirement.**—The arrangement proposed is that 60 years should be the compulsory age of retirement. Where the employing authority considers that retirement at age 60 would be detrimental to the interest of the service, it may, with the consent of the nurse, extend her service beyond age 60 for a year, or lesser period, and so from time to time as is deemed expedient but not exceeding the age of 65 in any event. Service in excess of 40 years should not be reckoned for calculation of pension.

The nurse should be allowed the option of retiring at 55 if she has completed 30 years of service.

It is not perhaps understood that an option of the latter kind does not confer rights upon the nurse as against her employer. She cannot require the employer to continue her employment. It should be recognised that if the employer considers that retirement at age 55 is desirable in the interest of the nurse or of the hospital the service of the nurse can be terminated, and she can then exercise the option of taking her pension.

(11) **Lower rates of pay.**—A nurse who wishes to take a special course of instruction or who for other than disciplinary reasons is transferred to a lower scale of pay should be allowed at her option to continue to pay contributions on her previous higher scale and if she does so the employer would also pay on the higher scale. The salary on her higher scale would then rank for the calculation of pension whether breakdown, suspended, or age pension.

(12) **Surrender of part of pension.**—We have considered whether a nurse could be allowed the right to opt at some other time than retirement to surrender a part of her pension to provide for dependent relatives and whether a nurse retiring from nursing service might be allowed to leave her contributions in the fund to be applied for the benefit of her children in the event of her death.

It is necessary for the solvency of the fund that the nurses' and employers' contributions become the property of the fund for the purpose of paying pensions to nurses and we are unable to recommend that they should be applied to any other purpose.

We suggest, however, that there should be a right to allocate a part of the superannuation allowance to the spouse on similar conditions to those laid down under the Local Government Superannuation Act, 1937.

46. **Management of the new Fund.**—The alternative forms of management appear to be,

(*a*) by a Department of the Government;
(*b*) by a statutory body representative of the interests concerned.

We are not in favour of the first alternative for reasons which have already been mentioned in earlier paragraphs of the Report.

It will be necessary to frame a constitution for the managing body and regulations for the administration of the fund, but we regard it as outside our province at this stage to make recommendations in regard to these matters.

SECTION VI

OUTLINE OF THE SCHEME AND EXAMPLES

47. The proposals we recommend are as follows:—

I. Nurses and midwives now and in the future in local authority service to be provided for under local authority schemes (see paragraph 44).

II. A Central Fund, hereinafter referred to as the Fund, to be set up for nurses and midwives not in local authority service as follows (see also paragraph 44):—

(i) The Fund to provide for nurses and midwives in the salaried employment of voluntary hospitals and approved organisations where the Rushcliffe and Taylor scales have been adopted (see paragraph 12 (4)).

(ii) The Fund to be under the management of a statutory body representative of the interests concerned (see paragraph 46).

(iii) Interchangeability with Local Government Superannuation Funds to be achieved by transfer values (see paragraph 43).

(iv) Entrance to the Fund to be compulsory on all nurses and midwives in the salaried service of organisations to which the Fund applies, including student nurses and pupil midwives on attaining the age of 18, or on leaving the Preliminary Training School, whichever is the later, but excluding such nurses who are existing contributors to the Federated Superannuation Scheme and who elect to remain therein. Any nurses who owing to age cannot complete 10 years' contributory service before age 60, to remain outside the Fund (see paragraphs 37 and 45 (5)).

The option to remain out of the Fund to be exercised within a definite limited period.

(v) Contributions of 6 per cent. on salaries and emoluments to be paid by the nurse and a maximum of 12 per cent. to be paid by the employer (see paragraph 45 (1)).

(vi) The minimum qualification for a pension to be 10 years' contributing service (see paragraph 45 (6)).

(vii) Retirement on pension to be compulsory at age 60 with the option of retiring on or after age 55 on completion of 30 years' service subject to the provision that the employing organisation may, with the consent of the nurse extend her service beyond age 60 for one year, or less period, and so from time to time as may be deemed expedient, but not beyond the age of 65. In the case of such extension, contributions of the nurse and the employer to be continued in so far as the extra service ranks for pension, and the right to pension not to arise before retirement (see paragraph 45 (10)).

(viii) The pension to be based on the average salary and emoluments of the last 5 years of service and to be at the rate of 1/60th for every year of contributing service subject to a total maximum of 40/60ths of such average salary (see paragraphs 31, 32 and 45 (2)).

(ix) Pensions on permanent incapacity to be on a similar basis as for age with a minimum of 20/60ths subject to the completion of 10 years' contributing service (see paragraph 45 (6)).

(x) Salaried service with a voluntary hospital or voluntary organisation before a nurse joined the Federated Superannuation Scheme to be excluded from the calculation of a pension from the Fund. All salaried service since joining the Federated Superannuation Scheme to rank as contributing service. Non-contributing years of salaried service not to rank for pension (see paragraph 45 (3)).

(xi) A nurse who resigns from the service of a local authority to enter the service of a voluntary hospital or other approved organisation at any time between the 1st April, 1943 (when the Rushcliffe and Taylor recommendations became operative) and the date when the Central Fund is set up, to have the right to leave her superannuation contributions in

the superannuation fund of the local authority or, if her contributions have been returned to her between the two dates mentioned, to have the right to repay such contributions. If the contributions are left with or repaid to the local authority, that authority to pay to the Central Fund a transfer value in respect of the nurse's local authority service; and for the purposes of that Fund the nurse to be entitled to reckon as contributing service all service which she was entitled to reckon as such immediately before ceasing to be employed by the local authority. The right of the nurse to repay the contributions to be exercised within six months of the setting up of the Central Fund (see paragraph 45 (5) (*b*)).

(xii) Pension rights of a nurse leaving the service of an organisation within the Fund with the expectation of return to such an organisation to be safeguarded and to be subject to the conditions described in paragraph 45 (7).

(xiii) Return of the nurse's own contributions to the Fund to be secured to her in every event excepting only dismissal for misconduct. It is not recommended that interest should be added (see paragraphs 30 and 45 (9)).

(xiv) A nurse who wishes to take a special course of instruction or who, for other than disciplinary reasons, is transferred to a lower scale of pay, to be allowed at her option to continue to pay contributions on her previous higher salary, and if she does so, the employer also to pay on the higher salary. The higher salary would then rank for pension (see paragraph 45 (11)).

(xv) Discretion to be given to an employing organisation to recommend, subject to conditions to be defined by the Management of the Fund, the award of a pension to a nurse leaving the service because of reorganisation (see paragraph 45 (8)).

(xvi) There should be the right to surrender a part of the superannuation allowance to provide a pension for the spouse on similar conditions to those laid down under the Local Government Superannuation Act, 1937 (see paragraph 45 (12)).

(xvii) The Federated Superannuation Scheme policies of those nurses joining the Fund to be assigned to the Fund, subject to arrangements to permit the reassignment to the Federated Superannuation Scheme on the nurse leaving the Fund for nursing service not recognised by the Fund (see paragraph 45 (5)).

(xviii) In so far as our proposals are more favourable to nurses and midwives than the provisions of the Local Government Superannuation Act, 1937, the Scottish Act or local Acts, the general and local Acts would, if complete uniformity is to be achieved, require amendment as opportunity arises to bring them into line with our proposals.

(xix) The Fund to come into operation as from a future appointed day to be determined by Statute.

III. For nurses and midwives not falling within I and II above the Federated Superannuation Scheme will continue to be available.

48. **Examples of the Working of the New Scheme.**

Example I.

A nurse passes through her period of training and obtains an appointment as staff nurse. She enters a voluntary hospital at the age of 18 and immediately becomes a member of the Central Fund. She remains a staff nurse all her life.

Under the Rushcliffe and Taylor scales her salary and emoluments would ultimately rise to £230 a year.

If she retired at 55, her annual pension would be 37/60ths of £230, i.e., £141 16s. 8d.

If she remained in service to age 60, she would receive a pension of 40/60ths of £230, i.e., £153 6s. 8d.

Example II.

If the nurse in Example I had obtained an appointment as a Ward Sister at age 30, her salary and emoluments would have risen to £280 a year.

If she retired at age 55, her annual pension would be 37/60ths of £280, i.e., £172 13s. 4d.

If she remained in service to age 60, she would receive a pension of 40/60ths of £280, i.e., £186 13s. 4d.

Example III.—History of Nurse:—

	Age	*Annual Salary* £
Date of joining Hospital service 31.3.19	20	—
,, ,, Federated Superannuation Scheme, 1929	30	300
Date of addition to salary, 1944	45	400
,, ,, retirement, 1954	55	400

The appointed day of the Fund is assumed to be the 1st April, 1945.

Existing Policies under Federated Superannuation Scheme.

	Contributions			*Annuity*	*Or Lump*
	Nurse	*Employer*	*Total*	*from 55*	*sum*
	£	£	£	£	£
Original policy ...	15	30	45	135	1,949
Increment policy ...	5	10	15	11	174
Totals ...	20	40	60	146	2,123

If the nurse remains in the Federated Superannuation Scheme from 1st April, 1945, and has no further increment of salary her total benefit at 55 is shown by the above figures. She has the choice at 55 of an annuity of £146 without returns or a lump sum of £2,123.

If she joins the Fund on 1st April, 1945, her policies would be assigned to, and they would be maintained by, the Fund for the benefit of the Fund.

Under the Fund the position would be

Nurse	*Contributions Employer*	*Total*	*Pension from 55*	*Lump Sum*
£	£	£	£	£
24	48	72	167	Nil

The pension is 25/60ths of the average total remuneration of £400.

The pension is " with returns ", the minimum amount payable would therefore be:—

	£
Her contributions for 15 years at £15 =	225
1 year at £20 =	20
9 years at £24 =	216
	461

If the Government should agree to be responsible for a pension for 9¾ years' service prior to 1st January, 1929, she would receive an additional £65 a year, making her total pension £232.

The guaranteed minimum payment would be £461.

Breakdown of health at age 50.

Under the proposed Fund, provided she has contributed for 10 years the nurse has the option of an immediate pension equal to 20/60ths of £400, i.e., £133 a year. When the nurse retires the Fund can continue or surrender the policy. If the policy is continued the Fund pays a premium of £45 a year for a further 5 years and then receives an annuity slightly larger than the pension granted.

Under the Federated Superannuation Scheme the surrender values of the policies are estimated to total £1,289, which would purchase a pension of £74.

Death at age 50.

Under the proposed Fund, the nurse's estate would receive the return of her payments under the Federated Superannuation Scheme and to the Fund. These total £341.

Under the Federated Superannuation Scheme she would receive the surrender value of the two policies—approximately £1,289.

Example IV.

History of Nurse :—		*Age*	*Salary*
Date of birth	1910		
Date of joining Federated Superannuation Scheme	1935	25	£ 150
	1940	30	200
	1943	33	240
	1944	34	280
Local Authority employment Assistant Matron	1950	40	400
	1951	41	415
	1952	42	430
Retired after 7 years as Matron ...	1965	55	730

The following policies would have been effected under the Federated Superannuation Scheme before the nurse's transfer to Local Authority:—

Date		*Premium paid by Nurses*	*Premium paid by Hospital*	*Annuity at 55*	*Cash option*
		£	£	£	£
Initial 1935	A	7·5	15·0	98	1,381
Increment 1940	B	2·5	5·0	20	298
„ 1943	C	2·0	4·0	11	185
„ 1944	D	2·0	4·0	11	174
Totals	... ...	14·0	28·0	140	2,038

If the nurse had contracted out of the Fund and her new employers had refused to recognise her previous service she could convert the policies into paid up policies as follows:—

	Annuity	*Cash option.*
	£	£
A	49	727
B	10	150
C	4	72
D	4	61
	£67	£1,010

Then on retirement at 55, the nurse would receive a pension from the Local Authority of:—

		£
1950/65 15/60ths of £730	=	183
plus her paid up annuity	...	67
Total	...	250

or about one-third of her salary.

If she remained in service to age 60 and deferred taking her pension until that age her pension would be:—

		£
1950/70 20/60ths of £730	=	243
plus annuity provided by policies estimated at	...	83
Total	...	326

If the nurse had entered the Fund at the outset, her policies would have been taken over by the Fund. On transfer to the Local Authority a transfer value would have been paid, and her final pension, paid by the Local Authority would be:—

On retirement at age 55
1935/65 30/60ths of £730 = £365 a year
On retirement at age 60
1935/70 35/60ths of £730 = £426 a year.

Example V.

Suppose the nurse, cited in Example IV did not receive her appointment as Assistant Matron at age 40, but continued as a Ward Sister on a salary (including emoluments) of £300 a year.

If in 1960, at the age of 50, she were compelled to give up her employment in order to nurse an aged relative, she will be entitled to a deferred pension at the appropriate age.

The total paid up annuities under the Federated Superannuation Scheme would amount to £117 a year payable from age 55 with the alternative cash option of £1,609 at that age. If the pension is deferred to age 60 it would be increased to £129 a year.

If the nurse had joined the Fund she would have been entitled to a " broken service " pension payable from age 60 of 25/60ths of £300, i.e. £125.

APPENDIX I

Reservation by Mr. Moncrieff Mitchell

I consider that the Scheme proposed is unsatisfactory in that it defers too much to the interests of the existing Funds and is not in the best interests of the nursing profession. The advantages of a comprehensive professional Scheme seem to me to be so overwhelming both from the administrative point of view and from the point of view of the interests of the nurses that any other proposals should only be considered if a comprehensive Scheme is impossible. The arguments stated against a comprehensive Scheme do not convince me that such a Scheme is impossible.

A great many of the objections to a comprehensive Scheme which have been put forward fall entirely if a Scheme fixing pensions with reference to contributions instead of with reference to retiring salaries is adopted. The difficulties involved in overcoming the remainder do not seem insuperable.

I do not agree that it is impossible to include break-down pensions in a Scheme fixing pensions with reference to contributions. Further, lack of uniformity of pensions in so far as this operates harshly in individual cases and the failure of pensions to work out as predicted has in the past in Schemes in which pensions are based on contributions been due, I presume, mainly to fluctuations in interest rates. As it now appears to be the policy of the Government to stabilise and control interest rates over a long period, this difficulty in so far as it is serious should not arise in future and there should be little difficulty in adjusting contribution rates periodically which would broadly produce pensions on any scale decided upon.

I desire to draw attention to the fact that a Scheme which bases pensions on retiring salary involves greater risks of incurring deficiencies if increases in wages take place than a Scheme fixing pensions with reference to contributions. This is neither in the interests of employers nor of nurses. If, as some think, increases in wages are probable in the immediate post-war years it would seem a pity to take this risk. Further, the solvency of a Scheme such as is proposed depends on rigid standardisation of wages and, to some extent, of staffing. Where a large number of employers is concerned the deficiency caused by a departure from such standards by individual employers, whether for good reasons or bad will impose a burden on the Fund. It may be questioned whether such standardisation however necessary in war is desirable under peace-time conditions, and in fact whether it will be practicable to achieve it.

No statistics were available as to the proportion of nurses in the employment of Voluntary Hospitals and Local Authorities who have at some period of their careers been engaged in private or industrial nursing or some other form of non-institutional nursing. From other information submitted it seems probable that the number of such nurses is substantial. It would seem to be to the advantage of both Local Authorities and Voluntary Hospitals that no impediment whatsoever should be placed in the way of transfers to and from such types of nursing if only because of the variety of experience gained thereby.

For the reasons above indicated I am in favour of a single comprehensive scheme for the whole nursing profession subject to such safeguards as are necessary to protect the interests of nurses in existing schemes. I further express my belief that it would be difficult to devise a suitable comprehensive scheme in which pensions are fixed with reference to retiring salary and I should favour a scheme fixing pensions in the main with reference to contributions.

A. MONCRIEFF MITCHELL

APPENDIX II

Statistics of Nurses

TABLE I

	Student Nurses.	*Trained Nurses.*	*District Nurses Health Visitors and Midwives.*	*Assistant Nurses.*	*Total.*
Local Authorities (including schools and nurseries)	15,427	20,234	10,977	17,002	63,640
Voluntary Institutions	28,302	15,108	12,575	1,666	57,651
Department of Health for Scotland	—	541	—	252	793
Private Nurses	—	15,222	3,115	—	18,337
	43,729	51,105	26,667	18,920	140,421

TABLE II

Numbers of Nurses—Analysis by type of employment

	Local Authority.	*Voluntary.*	*Dept. of Health for Scotland.*	*Total.*
1. *Nurses in Hospitals*				
Student Nurses	15,427	28,302	—	43,729
Trained Nurses	15,269	15,108	541	30,918
Assistant Nurses	14,862	1,666	252	16,780
	45,558	45,076	793	91,427
2. *Midwives*				
In Hospitals	3,114	1,341	—	4,455
In salaried service but not in hospitals	3,495	5,418	—	8,913
In private practice	—	—	—	3,115
	6,609	6,759	—	16,483
3. Nurses in salaried service but *not in hospitals*				
In Schools and Nurseries				
Trained Nurses	4,965	*		4,965
Assistant Nurses	2,140	*		2,140
Health Visitors	4,368	2,160		6,528
District Nurses	—	3,656		3,656
	11,473	5,816		17,289
4. *Nurses in private practice* (including schools and nurseries)*				15,222
			GRAND TOTAL...	140,421

APPENDIX III

The Tables in this Appendix are compiled from information obtained from a number of selected hospitals, namely :—

In London : 12 Local Authority Hospitals and 6 Voluntary Hospitals.

In England and Wales out of London : 42 Local Authority Hospitals and 9 Voluntary Hospitals.

In Scotland : Hospitals in 3 Cities and 6 Voluntary Hospitals.

Three sets of tables are given. Tables IA, IIA and IIIA on pages 40, 42 and 44 refer to Local Authority Hospitals and Tables IB, IIB and IIIB on pages 41, 43 and 45 to the Voluntary Hospitals.

Tables IA and IB give the number employed at 1st April, 1941, the appointments and withdrawals in the next 12 months and the numbers at 31st March, 1942. At the latter date the numbers in each grade are also shown.

The total figures for each Area are summarized below.

Area	Total employed at 31.3.1942.	
	Local Authority Hospitals	Voluntary Hospitals
London	2,362	2,033
England and Wales out of London	4,581	1,720
Scotland	2,672	1,988
TOTALS ...	9,615	5,741

The numbers in each grade were :—

In Local Authority Hospitals	London	England & Wales out of London	Scotland	All Areas
Senior Nurses	88	225	129	442
Ward Sisters	310	550	305	1,165
Staff Nurses	416	670	304	1,390
(Total Trained Nurses)	814	1,445	738	2,997
Assistant Nurses	100	900	277	1,277
Student Nurses	1,448	2,236	1,657	5,341
TOTALS ...	2,362	4,581	2,672	9,615

All these figures will be found in Table IA, except the total numbers of Trained Nurses which are inserted above for convenience.

In Voluntary Hospitals	London	England & Wales out of London	Scotland	All Areas
Senior Nurses	91	71	65	227
Ward Sisters	221	176	197	594
Staff Nurses	248	290	44	582
(Total Trained Nurses)	560	537	306	1,403
Assistant Nurses	—	38	—	38
Student Nurses	1,473	1,145	1,682	4,300
TOTALS ...	2,033	1,720	1,988	5,741

The numbers of Trained Nurses in the Selected Hospitals were :—

In Local Authority Hospitals	2,997
In Voluntary Hospitals	1,403
	4,400

These figures may be compared with the Trained Nurses in all Hospitals given in Appendix II :—

In Local Authority Hospitals	15,269
In Voluntary Hospitals	15,108
Department of Health, Scotland	541
	30,918

Nearly 20 per cent. of the Trained Nurses in Local Authority Hospitals are accounted for in Appendix III, and nearly 10 per cent. of the Trained Nurses in Voluntary Hospitals.

Table IIA gives the total Appointments made and Withdrawals experienced in each Local Authority Hospital ; and Table IIB gives the same information for Voluntary Hospitals.

The figures for the London Local Authority Hospitals show that out of 291 appointments 22 were made from Voluntary Hospitals and 46 from Local Authority Hospitals outside London.

In the London Voluntary Hospitals there were 10 appointments from Local Authority Hospitals. See Table IIB, page 43, in the section applying to 6 London Hospitals under the heading " Appointments from Hospitals of Local Authorities ". The figure 10 is the total of that column.

In Table IIIB on page 45, in the Table and the Column with the same description it will be found that these 10 appointments were to 5 positions as Staff Nurses and to 5 positions as Student Nurses. This instance suggests the importance of taking Tables IIIA and IIIB in preference to IIA and IIB for the purpose of examining interchanges.

In this paragraph and the next, movements among Trained Nurses in London Hospitals are examined and all the figures are taken from Tables IIIA and IIIB on pages 44 and 45 of Appendix III.

On page 44 the first line of figures shows that 12 *L.C.C. Hospitals* made 68 appointments of Senior Nurses in the 12 months ended 31.3.42 and that of these only 1 was from a Voluntary Hospital ; also that 66 withdrawals of Senior Nurses occurred (from all possible causes) and that not one of these was due to withdrawal for the purpose of taking up an appointment at a Voluntary Hospital.

From the 2nd and 3rd lines similar information is obtained for Ward Sisters and Staff Nurses and the figures for the three grades of Trained Nurses are tabulated below :—

12 *L.C.C. Hospitals*

	Number of Appointments in the year	Number from Voluntary Hospitals	Number of Withdrawals in the year	Number going to Voluntary Hospitals
Senior Nurses	68	1	66	—
Ward Sisters	30	2	54	3
Staff Nurses	285	17	283	14
Total for Trained Nurses	383	20	403	17

Taking the 6 London Voluntary Hospitals the following figures are obtained from the first three lines of Table IIIB on page 45 of Appendix III :—

6 *London Voluntary Hospitals*

	Appointments in the year	From Local Authority Hospitals	Withdrawals in the year	Going to Voluntary Hospitals
Senior Nurses	8	—	8	—
Ward Sisters	36	—	37	—
Staff Nurses	167	5	160	11
Total for Trained Nurses	211	5	205	11

The corresponding figures for Local Authority Hospitals and for Voluntary Hospitals in England and Wales outside London are given below :—

42 *Local Authority Hospitals*

	Appointments in the year	From Voluntary Hospitals	Withdrawals in the year	Going to Voluntary Hospitals
Senior Nurses	39	1	24	4
Ward Sisters	153	22	167	15
Staff Nurses	505	162	478	38
Total for Trained Nurses	697	185	669	57

9 *Voluntary Hospitals*

	Appointments in the year	From Local Authority Hospitals	Withdrawals in the year	Going to Local Authority Hospitals
Senior Nurses	13	1	14	4
Ward Sisters	23	2	31	7
Staff Nurses	276	21	271	15
Total for Trained Nurses	312	24	316	26

The figures for Scotland are :—

Local Authority Hospitals in 3 Cities

	Appointments in the year	From Voluntary Hospitals	Withdrawals in the year	Going to Voluntary Hospitals
Senior Nurses	7	—	5	—
Ward Sisters	50	12	43	1
Staff Nurses	154	29	200	37
Total for Trained Nurses	211	41	248	38

6 *Voluntary Hospitals*

	Appointments in the year	From Local Authority Hospitals	Withdrawals in the year	Going to Local Authority Hospitals
Senior Nurses	4	1	7	1
Ward Sisters	25	2	35	6
Staff Nurses	63	2	84	8
Total for Trained Nurses	92	5	126	15

Table IV gives the distribution of Student Nurses, Trained Nurses and Assistant Nurses in the several areas, and in the last column of the Table the number of Student Nurses for every 100 Trained Nurses is given.

The noticeable points are (1) the large proportion of students in the Voluntary Hospitals, this being due to the fact that so many of the Voluntary Hospitals included are important training institutions and (2) the relatively large proportion of Student Nurses in Scotland both in Local Authority Hospitals and in Voluntary Hospitals.

Table Ia

Movement in Year ended 31.3.42

Hospitals of Local Authorities

Hospital	Movement in year ended 31.3.42					No. in each grade at 31.3.42				
	No. at 1.4.41	Appointments	Total	Withdrawals	No. at 31.3.42	Senior Nurses	Ward Sisters	Staff Nurses	Assist. Nurses	Student Nurses
12 L.C.C. Hospitals										
1	162	53	215	66	149	6	33	50	8	52
2	241	126	367	84	283	9	28	59	—	187
3	264	149	413	147	266	14	33	65	5	149
4	150	80	230	32	198	6	21	41	1	129
5	170	35	205	101	104	7	13	41	5	38
6	136	119	255	86	169	9	17	37	1	105
7	326	257	583	228	355	8	70	4	10	263
8	227	80	307	77	230	7	26	31	—	166
9	103	29	132	36	96	6	13	7	70	—
10	34	44	78	13	65	6	9	6	—	44
11	186	112	298	87	211	—	16	28	—	167
12	231	81	312	76	236	10	31	47	—	148
Totals ...	2,230	1,165	3,395	1,033	2,362	88	310	416	100	1,448
42 Provincial Hospitals in 6 Municipal Areas (England & Wales)										
Birmingham ...	1,368	755	2,123	698	1,425	49	151	223	412	590
Bristol	256	113	369	75	294	11	49	45	20	169
Cardiff	346	155	501	171	330	17	30	66	78	139
Liverpool ...	1,538	782	2,320	832	1,488	96	185	132	315	760
Manchester ...	893	450	1,343	377	966	48	124	198	62	534
Reading ...	77	33	110	32	78	4	11	6	13	44
Totals ...	4,478	2,288	6,766	2,185	4,581	225	550	670	900	2,236
Hospitals in 3 Scottish Cities										
Dundee ...	174	80	254	81	173	34	25	13	3	98
Edinburgh ...	651	432	1,083	334	749	21	88	89	188	363
Glasgow ...	1,683	821	2,504	754	1,750	74	192	202	86	1,196
Totals ...	2,508	1,333	3,841	1,169	2,672	129	305	304	277	1,657
All Areas ...	9,216	4,786	14,002	4,387	9,615	442	1,165	1,390	1,277	5,341

Table 1B

Movement in Year ended 31.3.42

Voluntary Hospitals

Hospital	Movement in year ended 31.3.42					No. in each grade at 31.3.42				
	No. at 1.4.41	Appointments	Total	Withdrawals	No. at 31.3.42	Senior Nurses	Ward Sisters	Staff Nurses	Assist. Nurses	Student Nurses
6 London Hospitals										
1	97	55	152	49	103	7	12	25	—	59
2	509	188	697	175	522	—	78	52	—	392
3	239	111	350	86	264	17	19	22	—	206
4	556	173	729	211	518	29	54	102	—	333
5	448	152	600	164	436	22	44	33	—	337
6	166	79	245	55	190	16	14	14	—	146
Totals ...	2,015	758	2,773	740	2,033	91	221	248	—	1,473
Hospitals in Provincial Areas (England & Wales)										
Manchester 1 ...	93	44	137	32	105	4	12	22	—	67
Bristol	383	135	518	194	324	15	32	56	—	221
Cardiff	207	52	259	49	210	6	22	17	—	165
Birmingham ...	115	33	148	33	115	8	16	8	—	83
Manchester 2 ...	102	57	159	57	102	5	16	48	33	—
Manchester 3 ...	338	152	490	147	343	14	26	53	—	250
Berks.	151	78	229	67	162	11	10	17	—	124
Liverpool ...	313	129	442	133	309	4	35	61	—	209
Manchester 4 ...	46	24	70	20	50	4	7	8	5	26
Totals ...	1,748	704	2,452	732	1,720	71	176	290	38	1,145
Hospitals in Scotland										
Aberdeen ...	274	96	370	85	285	8	21	16	—	240
Dundee ...	169	48	217	48	169	9	20	3	—	137
Edinburgh ...	542	162	704	157	547	7	58	—	—	482
Glasgow 1 ...	435	186	621	191	430	16	46	4	—	364
,, 2 ...	271	84	355	85	270	12	34	17	—	207
,, 3 ...	287	102	389	102	287	13	18	4	—	252
Totals ...	1,978	678	2,656	668	1,988	65	197	44	—	1,682
All Areas ...	5,741	2,140	7,881	2,140	5,741	227	594	582	38	4,300

Table IIa

Interchanges with Local Authority and Voluntary Hospitals

Hospitals of Local Authorities

12 L.C.C. Hospitals

Hospitals	Appointments from				Withdrawals to			
	L.C.C. Hospls.	Hospls. of other L.A's.	Voluntary Hospls.	Total	L.C.C. Hospls.	Hospls. of other L.A's.	Voluntary Hospls.	Total
1	28	3	2	33	16	4	9	29
2	33	7	3	43	25	4	—	29
3	23	1	—	24	17	25	1	43
4	20	8	5	33	—	8	1	9
5	17	1	—	18	54	2	3	59
6	44	8	4	56	9	12	5	26
7	46	1	2	49	61	4	2	67
8	—	—	2	2	5	—	2	7
9	12	—	—	12	5	—	—	5
10	—	10	—	10	—	9	1	10
11	—	—	—	—	—	—	—	—
12	—	7	4	11	1	5	3	9
Totals ...	223	46	22	291	193	73	27	293

42 Provincial Hospitals (England & Wales)

	Appointments from			Withdrawals to		
	Hospitals of other L.A.'s	Voluntary Hospitals	Total	Hospitals of other L.A.'s	Voluntary Hospitals	Total
Birmingham	149	159	308	138	28	166
Bristol ...	10	7	17	23	7	30
Cardiff ...	48	20	68	56	11	67
Liverpool	159	56	215	211	50	261
Manchester	113	79	192	65	48	113
Reading ...	5	5	10	5	7	12
Totals ...	484	326	810	498	151	649

Scottish Cities

Dundee ...	20	7	27	9	13	22
Edinburgh	21	24	45	12	54	66
Glasgow ...	113	85	198	71	94	165
Totals ...	154	116	270	92	161	253

Table IIb

Interchanges with Local Authority and Voluntary Hospitals

Voluntary Hospitals

Hospitals	Appointments from		Withdrawals to	
	Hospitals of L.A.'s	Voluntary Hospitals	Hospitals of L.A.'s	Voluntary Hospitals
6 London Hospitals				
1	—	10	1	20
2	2	15	2	10
3	1	37	2	38
4	—	—	—	9
5	4	53	6	63
6	3	11	5	36
Totals ...	10	126	16	176
Hospitals in Provincial Areas (England & Wales)				
Manchester 1	1	2	2	3
Bristol ...	—	2	9	14
Cardiff ...	3	2	4	4
Birmingham	—	7	30	1
Manchester 2	24	21	7	14
,, 3	3	11	—	8
Berks ...	3	18	3	7
Liverpool ...	3	13	3	16
Manchester 4	2	9	2	13
Totals ...	39	85	60	80
Scottish Cities				
Aberdeen ...	—	2	4	21
Dundee ...	—	3	—	—
Edinburgh ...	—	—	4	—
Glasgow 1 ...	5	4	28	17
,, 2 ...	—	4	3	9
,, 3 ...	—	—	35	—
Totals ...	5	13	74	47

Table IIIa

Movement in year; and Interchanges shown by Grade of Nurse

Hospitals of Local Authorities

12 L.C.C. Hospitals

Grade	Movement in year ended 31.3.42					Appointments from			Withdrawals to		
	No. at 1.4.41	Appointments	Total	Withdrawals	No. at 31.3.42	L.C.C. Hospls.	Other L.A.'s	Volty. Hospls.	L.C.C. Hospls.	Other L.A.'s	Volty. Hospls.
Senior N.	86	68	154	66	88	20	2	1	10	14	—
Ward S.	334	30	364	54	310	20	1	2	11	8	3
Staff N.	414	285	699	283	416	133	23	17	58	44	14
Asst. N.	112	40	152	52	100	18	—	—	5	—	—
StudentN.	1,284	742	2,026	578	1,448	32	20	2	109	7	10
Totals	2,230	1,165	3,395	1,033	2,362	223	46	22	193	73	27

42 Provincial Hospitals (England & Wales)

Grade	Movement in year ended 31.3.42					Appointments from		Withdrawals to	
	No. at 1.4.41	Appointments	Total	Withdrawals	No. at 31.3.42	L.A. Hospls.	Volty. Hospls.	L.A. Hospls.	Volty. Hospls.
Senior N. ...	210	39	249	24	225	16	1	10	4
Ward S. ...	564	153	717	167	550	78	22	44	15
Staff N. ...	643	505	1,148	478	670	183	162	185	38
Assist. N. ...	944	422	1,366	466	900	68	24	36	10
Student N.	2,117	1,169	3,286	1,050	2,236	139	117	223	84
Totals ...	4,478	2,288	6,766	2,185	4,581	484	326	498	151

Scottish Cities

Senior N. ...	127	7	134	5	129	4	—	2	—
Ward S. ...	298	50	348	43	305	7	12	5	1
Staff N. ...	350	154	504	200	304	59	29	25	37
Assist. N. ...	354	150	504	127	377	10	7	6	—
Student N.	1,379	972	2,351	794	1,557	74	68	54	123
Totals ...	2,508	1,333	3,841	1,169	2,672	154	116	92	161

Table IIIb

Movements and Interchanges shown by Grade of Nurse

Voluntary Hospitals

6 London Hospitals

Grade	Movements					Appointments from		Withdrawals to	
	No. at 1.4.41	Appointments	Total	Withdrawals	No. at 31.3.42	L.A. Hospls.	Volty. Hospls.	L.A. Hospls.	Volty. Hospls.
Senior N. ...	91	8	99	8	91	—	8	—	—
Ward S. ...	222	36	258	37	221	—	11	—	15
Staff N. ...	241	167	408	460	248	5	53	11	34
Assist. N. ...	—	—	—	—	—	—	—	—	—
Student N.	1,461	547	2,008	535	1,473	5	54	5	127
Totals ...	2,015	758	2,773	740	2,033	10	126	16	176

Hospitals in Provincial Areas (England & Wales)

Senior N. ...	72	13	85	14	71	1	8	4	6
Ward S. ...	184	23	207	31	176	2	12	7	9
Staff N. ...	285	276	561	271	290	21	25	15	42
Assist. N. ...	35	26	61	23	38	6	10	2	3
Student N.	1,172	366	1,538	393	1,145	9	30	32	20
Totals ...	1,748	704	2,452	732	1,720	39	85	60	80

Scottish Cities

Senior N. ...	68	4	72	7	65	1	—	1	3
Ward S. ...	207	25	232	35	197	2	11	6	—
Staff N. ...	65	63	128	84	44	2	2	8	19
Assist. N. ...	1	—	1	1	—	—	—	—	—
Student N.	1,637	586	2,223	541	1,682	—	—	59	25
Totals ...	1,978	678	2,656	668	1,988	5	13	74	47

TABLE IV

RATIO OF STUDENT NURSES TO TRAINED NURSES IN THE SELECTED HOSPITALS

	Student Nurses	Trained Nurses	Assistant Nurses	Total at 31.3.42	Number of student nurses for every 100 trained nurses
(*a*) Local Authority Hospitals					
12 London Hospitals...	1,448	814	100	2,362	178
42 Hospitals in provinces (England and Wales)	2,236	1,445	900	4,581	155
Hospitals in Scotland	1,657	738	277	2,672	225
TOTALS ...	5,341	2,997	1,277	9,615	178
(*b*) Voluntary Hospitals					
London	1,473	560	—	2,033	263
Provinces (England and Wales)	1,145	537	38	1,720	212
Scotland	1,682	306	—	1,988	550
TOTALS ...	4,300	1,403	38	5,741	307

APPENDIX IV

Illustration of the working of the Federated Superannuation Scheme

An example is given on pages 20–26 of K.F. 18/25* to illustrate the benefits expected to be received by a member of the nursing staff who takes out a policy for a deferred annuity with returns to mature at the age of 55. The assumption made is that she enters at the age of 23 and that a policy is not effected until a year's contributions at the rate of 15 per cent. on her salary and emolument is available. This policy is actually effected at the rate for age 24, and 31 years' premiums would be payable.

For the purpose of the illustration she was assumed to pass through the various grades until finally she became a Matron and the course of her remuneration from time to time was assumed to be as follows (see Col. 15 on page 18 of K.F. 18/25)* :—

Age	Grade	Average Salary plus Emoluments	Age	Grade	Average Salary plus Emoluments
		£			£
23	Staff Nurse ...	110			
24	,, ...	115			
25	Ward Sister ...	130	40	Assistant Matron	250
26	,, ...	135	41	,,	260
27	,, ...	140	42	,,	270
28	,, ...	145	43	,,	280
29	,, ...	150	44	,,	290
30	,, ...	155	45	,,	300
31	,, ...	160	46	Matron	390
32	,, ...	165	47	,, ...	410
33	,, ...	170	48	,, ...	430
34	,, ...	175	49	,, ...	450
35	Home Sister ...	200	50	,, ...	450
36	,, ...	210	51	,, ...	450
37	,, ...	220	52	,, ...	450
38	,, ...	230	53	,, ...	450
39	Assistant Matron	240	54	,, ...	450

* K.F. 18/25 is the "Draft Scheme of Pensions" for voluntary hospital officers and nurses issued in 1925 by the King Edward's Hospital Fund—*see* paragraph 33 of the Report.

Increment policies are effected from time to time giving effect to increments of £20 in the total remuneration, and figures for every age will be found on pp. 18–26 of K.F. 18/28 under the head of Case III. In the following table we have for convenience picked out the figures which show the position at quinquennial ages.

TABLE 1

Age	Appointment	Salary plus Emoluments	1925 Estimates		1943/44 Estimates		
			Deferred Annuity at 55	Cash Option	Deferred Annuity at 55	Cash Option	Age
		£	£ s.	£	£ s.	£	
24	Staff Nurse ...	110	70 14	1,048	49 18	782	24
25	Ward Sister ...	130	81 16	1,212	57 19	908	25
30	,, ...	155	90 10	1,341	64 10	1,011	30
35	Home Sister ...	200	106 18	1,583	77 11	1,209	35
40	Assistant Matron	250	116 2	1,718	85 0	1,326	40
45	,,	300	124 12	1,845	92 6	1,439	45
50	Matron	450	137 4	2,036	103 11	1,619	50
55	,, ...	450	137 4	2,036	103 11	1,619	55

Table 2 below gives the benefits provided if premiums cease to be paid from the age given under the following head :—

(1) Paid up Annuity payable from age 55.

(2) Cash option at 55 equivalent to (1).

(3) Immediate cash payment at death or withdrawal.

Within the prescribed period the payment to the nurse on withdrawal is one third of the payment shown ; after the prescribed period has expired it is the whole. In the example below this adjustment will only affect the payment at age 25.

TABLE 2

Age	1925 Estimates			1943/44 Estimates			Age
	Paid on Annuity at 55	Cash Option at 55	Immediate payment on death or withdrawal	Paid up Annuity at 55	Cash Option at 55	Immediate payment on death or withdrawal	
	£	£	£	£	£	£	
25	8	120	37	5	78	37	25
30	26	392	148	16	257	138	30
35	45	666	306	29	458	274	35
40	65	967	541	44	690	470	40
45	86	1,282	872	61	952	734	45
50	111	1,646	1,362	81	1,271	1,114	50
55	137	2,036	2,036	104	1,619	1,619	55

APPENDIX V

Interchangeability of Superannuation Rights

*Memorandum prepared by Ministry of Health for Nurses Salaries Committee and Midwives Salaries Committee.**

I. *General.* In considering the question of superannuation, with particular reference to interchangeability of superannuation rights, the Nurses' Salaries Committee and the Midwives' Salaries Committee may be assisted by having a notice of the preliminary consideration which the Department have given to this question, in consultation with the Government Actuary. Mr. Lythgoe, a member of both Committees, has been good enough to offer suggestions which have been helpful.

II. *Present Position.* The present position as regards provision for the superannuation of nurses is set out in the memorandum prepared by the Government Actuary for the Athlone Committee (Appendix III to the Athlone Report). Leaving out of account the nursing staff of mental hospitals, who do not fall within the scope of the Nurses' Salaries Committee, and whose superannuation position is governed by the Asylum Officers' Superannuation Act, nurses and midwives may for superannuation purposes be grouped into three classes :—

(1) *Those in local government service.* Apart from those employed by the relatively few local authorities whose superannuation provisions are governed by Local Acts, nurses and midwives in municipal employment, like other local authority staff, have their position in superannuation regulated by the Local Government Superannuation Acts, 1937 and 1939. Under the Act of 1937 which makes superannuation compulsory in the case of whole-time officers in municipal employment, local authority staff and their employers each pay into a superannuation fund a contribution of 6 per cent. (or 5 per cent. or less in certain cases previously superannuable) of the employees' remuneration (including emoluments which are given a valuation for this purpose). Deficiencies are made good by the employing authority. Under section 16 of this Act female nurses, midwives and health visitors are enabled to retire at the age of 55 if they have completed 30 years' service instead of at the age of 60, with 40 years' service, as in the case of other local government officers.

Provision is made for the continuation of superannuation rights when a nurse or midwife transfers within 12 months from the employ of one local authority to that of another, by payment of a transfer value representing the value of the accrued superannuation rights by the superannuation fund of the first authority to that of the second.

(2) *Nurses or midwives covered by the Federated Superannuation Scheme or other similar schemes.* A high proportion of voluntary hospitals (about 88† per cent., calculating on the number of beds) and also of district nursing associations participate in the Federated Superannuation Scheme, which provides benefits by means of insurance policies taken out for each individual, usually securing annuities at the age of 55. The employee contributes 5 per cent. of her pay and emoluments, the employer 10 per cent., and the total of 15 per cent. is paid as periodical premiums to an insurance company. When an institution decides to participate in the scheme, it is understood that all the trained nursing staff are required to join in, and that student nurses may be brought in at the option of the institution, some institutions bringing them in at the end of the first year, others later.

If the nurse or midwife transfers from one institution participating in the Scheme to another participating institution, the policy is handed over to the second institution, which pays the 10 per cent. contribution in future. In any other case she can continue the policy by paying the full 15 per cent. herself.

There is no provision for the preservation of superannuation rights for transfers from municipal employment to employment in an institution participating in the Federated Superannuation Scheme or similar schemes, or vice versa. An employee transferring in this way receives from the first only such benefits as are paid on withdrawal, which are generally of substantially less value than the accrued superannuation rights, and enters the second scheme as a new entrant.

(3) *Nurses and midwives in hospitals or other employment who do not come under any superannuation scheme.* It is generally accepted that provision for superannuation is desirable and necessary, but there are a number of nurses and midwives outside municipal employment who are not covered by any scheme, e.g., in voluntary hospitals and district nursing associations which are not participating in a scheme like the Federated Superannuation Scheme. Participation in the Scheme is at the discretion of the employer, and voluntary hospitals with about 12‡ per cent. of the voluntary hospital beds in the country do not participate.

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* A similar memorandum was prepared by the Department of Health for Scotland for the information of the Scottish Nurses Salaries Committee in which the references are to the Alness Report instead of the Athlone Report and to the Local Government Superannuation (Scotland) Acts, 1937 and 1939 instead of the Local Government Superannuation Acts, 1937 and 1939.

† In Scotland, 78 per cent. ‡ In Scotland, 22 per cent

III. *Need for more general interchangeability.* In giving preliminary consideration to this question, the Department have had two principal objects in mind :—

(1) To ensure that nurses and midwives in hospitals and the public health services, including district nursing should generally receive uniformity of treatment as regards superannuation. This, of course, involves the extension of superannuation provision to those not already in some scheme. The two Committees have been appointed to draw up agreed standard scales of salary and emoluments for nurses and midwives and it is obviously desirable that with this should go uniformity in superannuation.

(2) To facilitate transfers from one nursing post to another. The present superannuation arrangements are such as to discourage transfers except between two municipal, posts or between two posts in institutions participating in the Federated Superannuation Scheme. Transfer from a municipal hospital to a voluntary hospital or to a district nursing association can only be made with some sacrifice of accrued superannuation rights. Transfer from a voluntary hospital or district nursing association participating in the Federated Superannuation Scheme to a municipal post means that (if she had the qualifying period of service) the nurse or midwife could take a paid-up policy, unless she preferred to continue the policy herself by paying the full contribution, but she would be required to enter the superannuation fund of a local authority as a new entrant. The view universally accepted is that there should be the same ease of movement between the voluntary and municipal services as there is, generally speaking, inside each service at the moment.

IV. *Methods.* The tentative view which the Department have formed, subject to consultation with the bodies concerned, is that the principles of the Local Government Superannuation Act, 1937 are appropriate for the purpose in view, and that the balance of advantage is in favour of providing along these lines for all nurses and midwives in hospitals and the public health serrvices, including district nursing. The principles are briefly that the scheme is compulsory, that it secures uniformity with the municipal services, and that it is financed by fixed contributions from nurses and employers, the latter also having to make up any deficiency in the fund. The scheme provides for the payment of transfer values in connection with movement of staff from one authority to another.

It may be convenient to the Committee to set out various possible schemes that have been considered by the Department with the Government Actuary. The Department is at present disposed to favour the fourth of these schemes as the simplest and most practicable solution of the difficulties but before they consider the matter in more detail they would be grateful for the views of the two Committees.

(1) *" Cold Storage " Method.* (Paragraph 8(*d*) of Appendix III to the Athlone Report). Under this method each separate period of service earns a separate pension, but the several pensions do not become payable until the employee ultimately retires. The Government Actuary suggested that this was the most helpful line of approach to the question of combining rights acquired under two or more different and continuing superannuation schemes of such a nature that transfer values could not be adopted. This plan would involve a minimum of disturbance to the existing independent schemes, but would of course not solve the difficulty created by the absence of any superannuation scheme at all in one or other service. In cases of transfer from a service with a superannuation scheme to one with no superannuation scheme the accrued pension (if any) held in reserve might be very small, and difficulties might arise in other directions. There is the further point that a nurse or midwife transferring from, say municipal employment to employment in a service participating in the Federated Superannuation Scheme might, under the cold storage method, be financially much worse off than a nurse or midwife who transferred from one municipal employment to another municipal employment and whose superannuation rights are determined by the Local Government Superannuation Act, 1937. The latter point would also be an argument against any proposal to make the Federated Superannuation Scheme compulsory on all nurses and midwives in voluntary hospitals or district nursing associations.

(2) *Extension of provisions of Section 5 of Local Government Superannuation Act,* 1937. Under this Section local authorities are empowered to admit to participation in their Superannuation Fund, on such terms and conditions as they think fit, and with the approval of the Minister of Health, employees of statutory undertakings. It would be possible to amend this Section by either :

(*a*) making voluntary hospitals and district nursing associations statutory undertakers for this purpose, so enabling them to be admitted at the discretion of the local authority to the Superannuation Fund on such terms and conditions as the local authority thought fit ;

(*b*) requiring local authorities to admit to their Superannuation Fund nurses and midwives employed by voluntary hospitals or district nursing associations on terms and conditions which might be prescribed by the Minister of Health.

As regards (*a*), an objection against leaving the matter to the discretion of local authorities would be that it might not secure the uniformity which is one of the objects aimed at.

(3) *A New Centralised Scheme for all Nurses and Midwives, both municipal and voluntary.* Under this scheme each hospital, whether municipal or voluntary, or district nursing association, and each nurse or midwife would make appropriate contributions to a Central Fund, out of which all superannuation benefits would be provided. The fund might be managed either by a Government Department, as in the case of the Teachers Superannuation Scheme, or by a joint Committee representative of hospitals and nurses. Nurses at present in local authorities' Superannuation Funds, and appropriate shares of the assets of these Funds, would be transferred to the new Fund. Complete interchangeability in the nursing services would thus be secured without the necessity for any transfer value arrangements.

At present a nurse or midwife in a municipal hospital may transfer to some other form of municipal service without loss of her accrued superannuation rights. Retention of this feature could be secured by the passing of transfer values between the Central Fund for nurses and midwives and the local authorities' Superannuation Funds.

It may be anticipated that local authorities would not be willing to agree to a scheme of this kind.

(4) *A New Centralised Scheme restricted to Nurses and Midwives not provided for in local authorities' Funds.* Under this plan nurses and midwives in municipal employment would continue as at present under the Act of 1937. All other nurses or midwives to whom the scales were to be applied (including those in voluntary hospitals and district nursing associations) would be required to come under the Central Scheme. If this plan is accepted, the most convenient arrangement would appear to be that in effect the Fund established under this Scheme should be on the lines similar to the Superannuation Fund of a large local authority and arrangements made for the payment of transfer values between the new Fund and the Funds established by local authorities on lines similar to the arrangements for the payment of transfer values between two local authorities. It would be a matter for consideration who should administer such a Scheme.

As stated above, the Department's tentative view is in favour of this fourth scheme, as the simplest and most practicable method of achieving the objects in view, and they have been in touch with the Government Actuary about the financial basis of such a scheme. It is understood from him that a total contribution of 12 per cent. of salary —half paid by the employer and half by the employee—would not be sufficient to keep the scheme solvent. While this total contribution is appropriate under the Local Government Superannuation Act, 1937, to the officer grades, who except on health grounds normally retire at the age of 60 or over, it is insufficient for nurses or midwives who may retire at 55 and the deficiency is made up by the local authority. The very provisional estimate of the Government Actuary is that in such a scheme the total percentage rate of contribution required in respect of new entrants might be 14 or 15 per cent. The percentage rate would depend on the new salary scales that would follow the agreed recommendations of the Rushcliffe Committees. Presumably the nurse or midwife would be required to pay the same percentage as if she were in municipal employment, i.e. 6 per cent. leaving 8 or 9 per cent. to be paid by the employers. This basic rate of 14 or 15 per cent. would, moreover, the Department is advised, not be sufficient to provide for future liabilities in respect of the older existing nurses or midwives brought into the new scheme at the outset, and there would be a substantial additional liability (which could be spread over a period) to be made good by employers of these nurses or midwives.

If provision were to be made for back service right there would be an additional burden on the Fund, the amount of which must necessarily be speculative in the absence of information regarding the extent to which the nurses are covered by the Federated Scheme or some other scheme. The cost of granting pensions at half rates to existing nurses in respect of all their prior service might represent an annual charge for 40 years of a sum equal to about 6 or 7 per cent. of the present salary roll. This would be reduced by the extent to which back service is already provided for by an existing scheme, and if, for example, the last 15 years' service is already covered, the cost of providing pensions at half rates for the remainder might represent a fixed annual charge for 40 years of about 2½ per cent. of their present salaries. This plan would involve (as would (3) above also) the extinction of the Federated Superannuation Scheme in its present form and its incorporation in the new Central Fund. Treatment of existing insurance policies would present some difficulties and somewhat elastic provisions on this point might be desirable possibly to the extent of authorising the new Fund to maintain them in force and to effect incremental policies in certain circumstances.

A point for consideration would be whether the new fund should be limited to England and Wales, or should extend to Great Britain or the United Kingdom.

V. *Scope of New Scheme.* The precise class of nurse and midwife to be covered by a new scheme for compulsory superannuation would need careful definition. It seems clear that all voluntary hospitals and district nursing associations would need to come into the scheme; whether nurses and midwives working in other services should be included would be a matter for further consideration. If private nursing were to be covered, this would raise important questions on how the contracts should be fixed, and their relation to the financial solvency of the scheme. Continuation of voluntary insurance following a period of hospital service is more difficult to fit in a scheme with benefits allied to retiring salary than one with contracts based on fixed money payments.

Whatever scheme is adopted, much detailed work would be required in preparation for the legislation which would be necessary to provide for a scheme making those nurses and midwives, who are not already subject to superannuation, compulsorily superannuable and providing for more complete preservation of rights on transfer. Before the Department proceeds further, it would be grateful for the considered views of the two Committees.

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